

**SCHOOL DISTRICT OF THE  
BOROUGH OF WOOD-RIDGE  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

**School District  
of**

# **WOOD-RIDGE**

**WOOD-RIDGE BOARD OF EDUCATION  
Wood-Ridge, New Jersey**

**Comprehensive Annual Financial Report  
Year Ended June 30, 2014**

# Comprehensive Annual Financial Report

of the

**WOOD-RIDGE BOARD OF EDUCATION**  
**Wood-Ridge, New Jersey**

**Year Ended June 30, 2014**

**Prepared by**

**Thomas J. Perez**  
**Board Secretary/Business Administrator**

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## INTRODUCTORY SECTION



**WOOD-RIDGE PUBLIC SCHOOLS  
540 WINDSOR ROAD  
WOOD-RIDGE, NEW JERSEY, 07075**

*Joseph C. Luongo,  
Interim Chief School Administrator*

201-933-6777  
*jluongo@wood-ridgeschools.org*

October 23, 2014

Dear Board Members:

The Comprehensive Annual Financial Report of the Wood-Ridge School District for the fiscal year ended June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Wood-Ridge Board of Education.

To the best of my knowledge and belief, the data presented in the report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of the principal officials. The financial section includes the independent Auditor's report, management discussion and analysis, the basic financial statements and notes. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with provisions of the Single Audit Act Amendments of 1996, and the US Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury Circular Letter Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY:**

The Wood-Ridge School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3 All funds of the District are included in this report. The Wood-Ridge Board of Education and all its schools constitute the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels Kindergarten through grade 12. These include special education for children with disabilities. The District completed the 2013-2014 fiscal year with an enrollment of 1147 students, an increase of 0.003% students over the previous year's enrollment. The following details the changes in the student enrollment over the last eleven years.

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>% Change from Previous Year</u>
2013-2014	1147	0.00%
2012-2013	1143	-1.90%
2011-2012	1165	0.00%

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2010-2011	1163	0.69%
2009-2010	1155	-2.12%
2008-2009	1180	2.43%
2007-2008	1152	1.93%
2006-2007	1130	0.00%
2005-2006	1132	4.62%
2004-2005	1082	4.54%

## 2. ECONOMIC CONDITION AND OUTLOOK:

The Wood-Ridge area is experiencing normal growth and expansion consistent with surrounding areas. The student population has increased by 0.003% from the previous year. The state unemployment rate for 2014 is reported at 6.6%, (6.1% June 2014 national average) as reported in the US Bureau of Labor Statistics for 2014.

## 3. MAJOR INITIATIVES:

- September 2013 the Wood-Ridge Intermediate School and the John H. Bischoff Memorial Gymnasium are opened.
- The Catherine E. Doyle School was reconfigured beginning in September 2013 as a Pre-K – 3 building after serving as a K-5 building in recent years.
- The Catherine E. Doyle School offered a Pre-Kindergarten classroom for the first time in school district history. A collaborative effort between the Wood-Ridge School District and the South Bergen Jointure Commission resulted in the offering of an integrated Pre-K classroom that served 18 students ages 3-4.
- “Tools of the Mind” program progressed to the second year of implementation in the Kindergarten classrooms.
- All students participated in District Interim Assessments, online, via the use of Renaissance Learning STAR Assessments. Students were assessed at least three times during the year, English/Language Arts Literacy and Mathematics.
- New Social Studies textbook series in grades K-3.
- Third grade students participated in the 2014 Field Test for PARCC (English/Language Arts).
- Staff members in grades 1-3 participated in professional development related to implementation of Teachers College Readers Workshop curricular strategies.
- The 3<sup>rd</sup> Annual HSPA PREP PROGRAM was held 11<sup>th</sup> grade students. HSPA passing rates were recorded as the highest percentages obtained in 8 years by W-RHS 11<sup>th</sup> grade students for Language Arts Literacy and Mathematics.
- Think Through Math (TTM), Acellus, Khan Academy, Science Gizmos, Math Gizmos and Voice Threads were incorporated as supplemental technology tools.

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- Alternative High School Assessment (AHSA) appeals were filed with the NJ Department of Education. For the 3rd consecutive year our appeals were granted based upon extensive student portfolios demonstrating students' knowledge, skills and proficiency in the required content areas.
- All students who entered the 12<sup>th</sup> grade in September 2013 and remained with our school were graduates in June 2014. This is the 3rd consecutive year wherein 100% of the students were eligible to receive a high school diploma.
- Early college options afforded W-RHS students expanded in course offerings through Fairleigh Dickinson University's Middle College Program and Felician College's Collegiate Academy. Through both there were 246 student seats in college credit bearing courses.
- The Third Annual Alumni Day was held. The program bring back alumni to speak to W-RHS students and provide advice on life after high school.
- The Annual College Fair was expanded bringing in more college admission counselors than in previous years. Nearly 45 post-secondary institutions were represented, affording 11<sup>th</sup> and 12<sup>th</sup> grade students options to make personalized connections with admission representatives.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### **5 BUDGETARY CONTROLS:**

In addition to internal accounting controls the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements, accounted for in the capital projects fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. These amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

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## **6 CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires Governmental Units to deposit public funds online in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **7 RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

## **8 OTHER INFORMATION:**

**A) Independent Audit:** state statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo and Cuva, P.A., was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, Amendments of 1996 and the related OMB Circular A-133, Revised, and State Office of Management and Budget Circular Letter 04-04. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**B) Awards:** The school district is extremely proud of its students, who achieve levels of distinction in academics, athletics, and service. Following are areas in which Wood-Ridge students excelled during the 2013-2014 school year:

- 47% of the 84 third graders participating in the 2014 NJ ASK Math assessment received a rating of Advanced Proficiency. 11 of the 84 students received "perfect" scores of 300 on the 2014 NJ ASK Math assessment.
- 76.2% of all third grade students participating in the 2014 NJ ASK ELA assessment received a rating of Proficiency. This overall rating of proficiency is the highest rating achieved by the third grade on the NJ ASK in seven years.
- District received the SAIF Safety Incentive Program Award for the fourth consecutive year. The district's insurance premium is reduced in the school year following the acknowledgement of the award.
- The Class of 2014 was offered approximately \$3million in state and private scholarships.
- The Class of 2014 accepted nearly \$1.3 million in scholarships and grants from colleges and universities of higher education over the course of the next four years.

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- For the third consecutive year, one student received a distinguishing award from Teterboro Airport for an intention to pursue aviation/aerospace career. Receipt of such reinforces our school's efforts to further STEM course electives.
- The W-RHS Robotics Team competed in the state recognized Panasonic Creative Design Challenge. This team, consisting of three students, successfully competed through preliminary rounds and qualified for the 2013 Finals Challenge.
- The 1<sup>st</sup> NJASK PREP PROGRAM was implemented. The 8<sup>th</sup> grade NJ ASK Proficient scores increased by nearly 22%.

**9. ACKNOWLEDGEMENTS:**

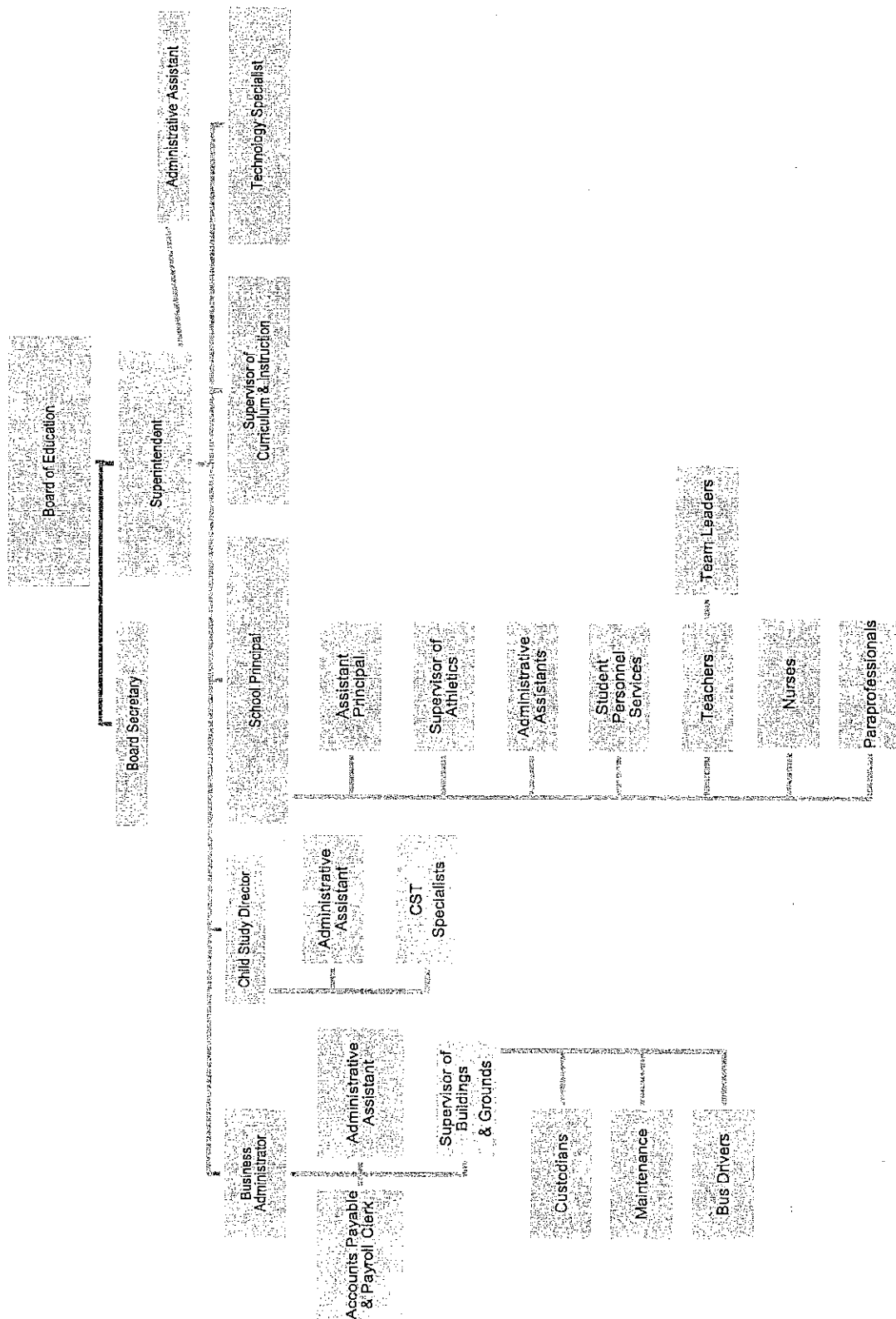
We would like to express our appreciation to the members of the Wood-Ridge Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial accounting staff.

Respectfully submitted,

  
Joseph C. Luongo

*"HOME OF THE BLUE DEVILS"*

# Wood-Ridge School District Organizational Chart 2013-2014



**WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2014**

**MEMBERS OF THE BOARD OF EDUCATION**

	<u>Term Expires</u>
Albert Nieves, President	2015
Robert Valenti, Vice President	2014
Joseph Biamonte, Jr.	2016
Robert Talamini	2015
Christopher Garvin	2016
Shiela King (Moonachie Representative)	

**OTHER OFFICIALS**

Joseph Luongo, Interim Superintendent  
Thomas J. Perez, Business Administrator/Board Secretary

**WOOD-RIDGE BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS  
JUNE 30, 2014**

**ARCHITECT**

DiCara and Rubino Architects  
30 Galesi Drive – West Wing  
Wayne, NJ 07470

**AUDIT FIRM**

Ferraioli, Wielkottz, Cerullo and Cuva, P.A.  
401 Wanaque Avenue  
Pompton Lakes, NJ 07422

**ATTORNEY**

Michael J. Gross  
Kenney, Gross, Kovats and Parton  
The Courts at Red Bank  
130 Maple Avenue – Building 8  
P.O. Box 8610  
Red Bank, NJ 07701

**OFFICIAL DEPOSITORY**

Capital One Bank, NA  
74 Park Avenue  
Rutherford, NJ 07070

**ESCROW ACCOUNT/SCHOLARSHIP FUNDS**

TD Bank  
109 Boulevard  
Hasbrouck Heights, NJ 07604

**INSURANCE**

Polaris/Galaxy LLC, Insurance Broker  
777 Terrace Ave.  
Hasbrouck Heights, NJ 07604

Brown & Brown  
80 Lambert Lane  
Suite 140 Lambertville, NJ 08530



## **FINANCIAL SECTION**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Borough of Wood-Ridge School District  
County of Bergen, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Wood-Ridge School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Wood-Ridge Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information, identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Wood-Ridge Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2014 on our consideration of the Borough of Wood-Ridge Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to

Honorable President and  
Members of the Board of Education  
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describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wood-Ridge Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 23, 2014

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED**

The discussion and analysis of the Borough of Wood-Ridge Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net position increased \$1,665,560. Net position of governmental activities increased by \$1,663,559 while net position of business-type activities increased by \$2,001.
- General revenues accounted for \$21,514,553 in revenue or 97 percent of all District revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$714,476 or 3 percent of total revenues of \$22,229,029.
- The School District had \$20,563,469 in expenses related to governmental activities and business-type activities; only \$714,476 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$20,014,553 were adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

**District-Wide Financial Statements**

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

Both of the district-wide financial statements distinguish functions of the Borough of Wood-Ridge Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-type Activity** – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise fund is reported as a business activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

**Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Wood-Ridge Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

**Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).



**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

The Borough of Wood-Ridge Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital project and debt service funds, which are considered to be major funds.

The Borough of Wood-Ridge Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**Proprietary Funds**

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Borough of Wood-Ridge Board of Education uses proprietary funds to account for its food service program.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net positions were \$6,492,536 at June 30, 2014 and \$6,326,976 at June 30, 2013. Restricted items of net positions are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Assets</b>						
Current and Other Assets	4,714,343	2,776,004	91,887	88,503	4,806,230	2,864,507
Capital Assets	<u>8,822,324</u>	<u>9,105,016</u>	<u>25,718</u>	<u>22,849</u>	<u>8,848,042</u>	<u>9,127,865</u>
Total Assets	<u>13,536,667</u>	<u>11,881,020</u>	<u>117,605</u>	<u>111,352</u>	<u>13,654,272</u>	<u>11,992,372</u>
<b>Deferred Outflows of Resources</b>						
Unamortized Loss on Sale of						
Refunding Bonds	<u>140,714</u>	<u>281,427</u>	<u>—</u>	<u>—</u>	<u>140,714</u>	<u>281,427</u>
<b>Liabilities</b>						
Other Liabilities	497,423	634,687	66,174	61,922	563,597	696,609
Noncurrent Liabilities	<u>4,964,748</u>	<u>4,948,698</u>	<u>—</u>	<u>—</u>	<u>4,964,748</u>	<u>4,948,698</u>
Total Liabilities	<u>5,462,171</u>	<u>5,583,385</u>	<u>66,174</u>	<u>61,922</u>	<u>5,528,345</u>	<u>5,645,307</u>
<b>Deferred Inflows of Resources</b>						
Unamortized Bond Premium	<u>274,105</u>	<u>301,516</u>	<u>—</u>	<u>—</u>	<u>274,105</u>	<u>301,516</u>
<b>Net Position</b>						
Net Investment in Capital Assets	4,097,324	4,070,016	25,718	22,849	4,123,042	4,092,865
Restricted	3,918,885	2,194,170	—	—	3,918,885	2,194,170
Unrestricted	<u>(75,104)</u>	<u>13,360</u>	<u>25,713</u>	<u>26,581</u>	<u>(49,391)</u>	<u>39,941</u>
Total Net Position	<u>7,941,105</u>	<u>6,277,546</u>	<u>51,431</u>	<u>49,430</u>	<u>7,992,536</u>	<u>6,326,976</u>

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2014 compared to 2013.

**Table 2  
Changes in Net Position  
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			291,439	294,123	291,439	294,123
Operating Grants and Contributions	320,050	356,575	102,987	92,617	423,037	449,192
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes	15,141,775	14,111,839			15,141,775	14,111,839
Property Taxes, Levied for Debt Services	144,562	205,103			144,562	205,103
Federal and State Aid not Restricted	2,215,210	2,283,506			2,215,210	2,283,506
Rents and Royalties	251,368				251,368	
Sale of Property	2,500,000				2,500,000	
Investment Earnings	126	1,572			126	1,572
Tuition Received	1,164,499	1,249,073			1,164,499	1,249,073
Prior Year Prepays Realized				9,672		9,672
Operating Subsidy Received from Moonachie Board of Education				13,744		13,744
Miscellaneous Income	97,013	202,054			97,013	202,054
Other Financing Sources (Uses):						
Recovery for Repair of Impaired Capital Assets - Super Storm Sandy		335,586				335,586
Proceeds Received from Refunding Bond Sale - Close out of Escrow		14,974				14,974
<b>Total Revenues and Transfers</b>	<u>21,834,603</u>	<u>18,760,282</u>	<u>394,426</u>	<u>410,156</u>	<u>22,229,029</u>	<u>19,170,438</u>

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	6,461,498	6,004,438			6,461,498	6,004,438
Special Education	1,242,104	1,013,724			1,242,104	1,013,724
Other Special Education	103,926	247,303			103,926	247,303
Other Instruction	433,351	447,251			433,351	447,251
Support Services:						
Tuition	3,295,406	2,872,922			3,295,406	2,872,922
Student & Instruction						
Related Services	2,204,080	1,986,337			2,204,080	1,986,337
School Administrative						
Services	986,951	1,012,327			986,951	1,012,327
General Administrative						
Services	614,242	503,476			614,242	503,476
Central Administration	363,566	352,975			363,566	352,975
Administrative Information						
Technology	165,977	154,031			165,977	154,031
Plant Operations and Maintenance						
Maintenance	1,666,628	1,574,683			1,666,628	1,574,683
Pupil Transportation	609,472	569,410			609,472	569,410
Unallocated Benefits	1,427,267	1,568,004			1,427,267	1,568,004
Transfer of Funds to Charter Schools	62,473	36,897			62,473	36,897
Debt Service:						
Interest and Other Charges	117,167	148,533			117,167	148,533
Unallocated Depreciation	246,648	242,936			246,648	242,936
Capital Outlay - Nondepreciable	29,575	37,333			29,575	37,333
Amortization of Loss on Sale						
of Bonds	140,713				140,713	
Bond Issuance Costs		72,500				72,500
Food Service			<u>392,425</u>	<u>415,251</u>	<u>392,425</u>	<u>415,251</u>
Total Expenses and Transfers	<u>20,171,044</u>	<u>18,845,080</u>	<u>392,425</u>	<u>415,251</u>	<u>20,563,469</u>	<u>19,260,331</u>
Increase or (Decrease) in						
Net Position	<u>1,663,559</u>	<u>(84,798)</u>	<u>2,001</u>	<u>(5,095)</u>	<u>1,665,560</u>	<u>(89,893)</u>

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Governmental and Business- Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$20,563,469. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$15,286,337 because some of the cost was paid by those who benefited from the programs \$291,439, by other governments and organizations who subsidized certain programs with grants and contributions of \$423,037, by tuition revenue of \$1,164,499, by rent and royalties revenue of \$251,368, by proceeds from the sale of property of \$2,500,000, by miscellaneous sources of \$97,139 and by unrestricted federal and state aid of \$2,215,210.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$2,001.
- ✓ Charges for services provided totaled \$291,439. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$102,987.

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2014, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$49,501 for increases in federal and state grant awards.

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**General Fund**

The general fund actual revenue was \$21,359,083. That amount is \$3,737,623 above the final amended budget of \$17,621,460. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,218,500 for TPAF social security reimbursements and on-behalf pension payments and \$2,519,123 of miscellaneous anticipated revenues and other state and federal aid.

The actual expenditures of the general fund were \$19,294,372 including transfers which is \$1,075,197 above the final amended budget of \$18,219,188. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$1,218,500 and \$143,303 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was \$320,050. That amount is above the original budget estimate of \$274,827 and below the final amended budget of \$324,328. The \$49,501 variance between the original and final budget was due to adjustments to the federal and state grant monies awarded to the District after the original budget was approved. The \$4,278 variance between the final amended budget and the June 30, 2014 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special revenue fund were \$320,050, which is above the original budget of \$274,827 and below the final amended budget of \$324,328. The \$49,501 variance between the original and final budget was due to adjustments to the expenditures related to the additional grants awarded to the District after the original budget was approved. The \$4,278 variance between the final amended budget and the June 30, 2014 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2014 the School District had \$13,942,668 invested in sites, buildings and equipment. Of this amount, \$5,094,626 in depreciation has been taken over the years. We currently have a net book value of \$8,848,042. Table 3 shows fiscal year 2014 balances compared to 2013.

**Table 3  
Capital Assets at June 30,  
(Net of Depreciation)**

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land Improvements	140,269	149,489			140,269	149,489
Buildings and Building Improvements	8,465,259	8,654,694			8,465,259	8,654,694
Furniture, Equipment and Vehicles	<u>216,796</u>	<u>300,833</u>	<u>25,718</u>	<u>22,849</u>	<u>242,514</u>	<u>323,682</u>
	<u>8,822,324</u>	<u>9,105,016</u>	<u>25,718</u>	<u>22,849</u>	<u>8,848,042</u>	<u>9,127,865</u>

**Debt Administration**

At June 30, 2014, the District had \$4,964,748 of long-term debt. Of this amount, \$239,748 is for compensated absences and \$4,725,000 in school bonds payable.

**Table 4  
Outstanding Serial Bonds at June 30,**

	<u>2014</u>	<u>2013</u>
2005 School Bonds	300,000	585,000
2013 School Refunding Bonds	<u>4,425,000</u>	<u>4,450,000</u>
	<u>4,725,000</u>	<u>5,035,000</u>

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION  
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
UNAUDITED (CONTINUED)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Wood-Ridge Intermediate School became operational during the 2013-2014 school year. The building houses students in grades 4 – 6. A lease agreement has been entered into with the Borough for use as a school.

The school district closed June 2014 with an enrollment of 1,147 students. This is an increase from last June's figure of 1,143 by 4 students. Demographic studies recently commissioned by the Board of Education projects an additional increase of students over the next five years based on live birth rates and inward migration patterns. Capacity to house students in the existing school buildings is lacking but will be alleviated to some degree with the opening of the Intermediate School.

The School District received State Aid in the amount of \$756,240 for the 2013-2014 school year which provided no increase over the 2012-2013 State Aid. State Aid for the 2014-2015 school year will increase to \$778,120. This is still below the \$1,082,024 in State Aid received for the 2009-2010 school year.

WREA members became subject to Tier 3 provisions of Chapter 78 regarding contributions toward their health care benefits. District administrators were subject to Tier 1 provisions of Chapter 78.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Wood-Ridge Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Thomas J. Perez  
School Business Administrator/Board Secretary  
Wood-Ridge Board of Education  
540 Windsor Road  
Wood-Ridge, NJ 07075



## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

## WOOD-RIDGE BOARD OF EDUCATION

## Statement of Net Position

June 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	481,465	74,525	555,990
Receivables, net	3,094,770	14,706	3,109,476
Inventory		2,656	2,656
Restricted assets:			
Capital reserve account - cash	1,038,108		1,038,108
Emergency reserve account - cash	100,000		100,000
Capital assets:			
Other capital assets, net	8,822,324	25,718	8,848,042
Total Assets	13,536,667	117,605	13,654,272
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on sale of refunding bonds	140,714	-	140,714
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	475,064	66,174	541,238
Unearned revenue	22,359		22,359
Noncurrent liabilities:			
Due within one year	330,000		330,000
Due beyond one year	4,634,748		4,634,748
Total liabilities	5,462,171	66,174	5,528,345
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unamortized Bond Premium	274,105		274,105
	274,105	-	274,105
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,097,324	25,718	4,123,042
Restricted for:			-
Capital Projects	3,105,789		3,105,789
Debt Service	14,981		14,981
Other Purposes	798,115		798,115
Unrestricted (Deficit)	(75,104)	25,713	(49,391)
Total net position	7,941,105	51,431	7,992,536

The accompanying Notes to Financial Statements are an integral part of this statement.

**WOOD-RIDGE BOARD OF EDUCATION**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:							
Instruction:							
Regular	5,364,977	1,096,321		279,394		(6,182,104)	(6,182,104)
Special education	1,014,923	227,181				(1,242,104)	(1,242,104)
Other special instruction	84,846	19,080				(103,926)	(103,926)
Other instruction	372,126	61,225				(433,351)	(433,351)
Support services:							
Tuition	3,295,406					(3,295,406)	(3,295,406)
Student & instruction related services	1,957,784	246,296		40,656		(2,163,424)	(2,163,424)
General administrative services	536,112	78,130				(614,242)	(614,242)
School administrative services	784,016	202,935				(986,951)	(986,951)
Central services	307,887	55,679				(363,566)	(363,566)
Administrative information technology	142,310	23,667				(165,977)	(165,977)
Plant operations and maintenance	1,483,384	183,244				(1,666,628)	(1,666,628)
Pupil transportation	600,973	8,499				(609,472)	(609,472)
Unallocated benefits	1,427,267					(1,427,267)	(1,427,267)
Capital Outlay - non-depreciable	29,575					(29,575)	(29,575)
Transfer of funds to Charter Schools	62,473					(62,473)	(62,473)
Debt service:							
Interest and other charges	117,167					(117,167)	(117,167)
Unallocated depreciation	246,648					(246,648)	(246,648)
Amortization of Loss on Sale of Bonds	140,713					(140,713)	(140,713)
Total governmental activities	17,968,587	2,202,457	-	320,050	-	(19,850,994)	(19,850,994)
Business-type activities:							
Food Service	392,425		291,439	102,987			2,001
Total business-type activities	392,425		291,439	102,987			2,001
Total primary government	18,361,012		291,439	423,037		(19,850,994)	(19,848,993)
General revenues:							
Taxes:							
Property taxes, levied for general purposes							15,141,775
Property taxes, levied for debt service							144,562
Federal and State aid not restricted							2,215,210
Investment Earnings							126
Tuition							1,164,499
Miscellaneous Income							97,013
Rents and Royalties							251,368
Extraordinary Item:							
Sale of Property							2,500,000
Total general revenues, special items, extraordinary items and transfers							21,514,553
Change in Net Position							1,663,559
Net Position—beginning							6,277,546
Net Position—ending							7,941,105

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

**WOOD-RIDGE BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents		2,713	567,682	2,934	573,329
Receivables, net					
Interfund Receivables	4,150				4,150
Receivables from other governments	1,498,090	1,598		12,047	1,511,735
Other Accounts Receivable	1,578,885				1,578,885
Restricted cash and cash equivalents	1,138,108				1,138,108
Total assets	<u>4,219,233</u>	<u>4,311</u>	<u>567,682</u>	<u>14,981</u>	<u>4,806,207</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Cash overdraft	91,864				91,864
Accounts payable	408,640	172			408,812
Unearned revenue	18,220	4,139			22,359
Total liabilities	<u>518,724</u>	<u>4,311</u>	<u>-</u>	<u>-</u>	<u>523,035</u>
Fund Balances:					
Restricted for:					
Capital reserve account	2,538,108				2,538,108
Emergency reserve	100,000				100,000
Excess Surplus - Designated for					
Subsequent year's expenditures	579,538				579,538
Excess Surplus - Current Year	118,577				118,577
Debt Service				14,981	14,981
Capital Projects			567,681		567,681
Assigned to:					
Other Purposes	24,250				24,250
Unassigned, reported in:					
General fund	340,037				340,037
Total Fund balances	<u>3,700,510</u>	<u>-</u>	<u>567,681</u>	<u>14,981</u>	<u>4,283,172</u>
Total liabilities and fund balances	<u>4,219,234</u>	<u>4,311</u>	<u>567,681</u>	<u>14,981</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$13,863,626 and the accumulated depreciation is \$5,041,302.	8,822,324
Accrued interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(66,252)
Bond issuance premium is recorded as revenue in the governmental funds in the year of receipt. The original premium is \$328,927 and accumulated amortization is \$54,822.	(274,105)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,824,034)
Net position of governmental activities	<u>7,941,105</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	15,141,775			144,562	15,286,337
Tuition	1,164,499				1,164,499
Interest earned on Capital Reserve Funds	126				126
Rents and Royalties	251,368				251,368
Sale of Property	2,500,000				2,500,000
Miscellaneous	97,013	10,501			107,514
Total - Local Sources	19,154,781	10,501	-	144,562	19,309,844
State sources	2,215,210	-			2,215,210
Federal sources		309,549			309,549
Total revenues	21,369,991	320,050	-	144,562	21,834,603
<b>EXPENDITURES</b>					
Current:					
Regular instruction	5,085,583	279,394			5,364,977
Special education instruction	1,014,923				1,014,923
Other special instruction	84,846				84,846
Other instruction	372,126				372,126
Support services and undistributed costs:					
Tuition	3,295,406				3,295,406
Student & instruction related services	1,917,128	40,656			1,957,784
General administrative services	536,112				536,112
School administrative services	784,016				784,016
Central services	307,887				307,887
Administrative information technology	142,310				142,310
Plant operations and maintenance	1,483,384				1,483,384
Pupil transportation	600,973				600,973
Unallocated benefits	3,511,404				3,511,404
Capital Outlay	95,801				95,801
Transfer of funds to Charter Schools	62,473				62,473
Debt Service:					
Principal				310,000	310,000
Interest and other charges				144,898	144,898
Total expenditures	19,294,372	320,050	-	454,898	20,069,320
Excess (Deficiency) of revenues over expenditures	2,075,619	-	-	(310,336)	1,765,283
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In				310,000	310,000
Transfers Out	-	-	(310,000)		(310,000)
	-	-	(310,000)	310,000	-
Net change in fund balances	2,075,619	-	(310,000)	(336)	1,765,283
Fund balance—July 1	1,624,891	-	877,681	15,317	2,517,889
Fund balance—June 30	3,700,510	-	567,681	14,981	4,283,172

The accompanying Notes to Financial Statements are an integral part of this statement.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2014**

**Total net change in fund balances - governmental funds (from B-2)** 1,765,283

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(348,918)
	Depreciable Capital Outlays - General Fund	<u>66,226</u>
		(282,692)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Principal Payments on Serial Bonds Payable	310,000
--	---------

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a reduction in the reconciliation. (-)

General Bond Obligations - Prior Year	66,572
General Bond Obligations	<u>(66,252)</u>

320

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in compensated absences payable	(16,050)
--	----------

The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (+)

27,411

The governmental funds report the effect of deferred interest when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (-)

(140,713)

<b>Change in net position of governmental activities</b>	<u><u>1,663,559</u></u>
--	-------------------------

The accompanying Notes to Financial Statements are an integral part of this statement.



**WOOD-RIDGE BOARD OF EDUCATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	<u><b>Food Service Program</b></u>
<u><b>ASSETS</b></u>	
Current assets:	
Cash and cash equivalents	74,525
Accounts receivable:	
State	545
Federal	14,161
Inventories	2,656
Total current assets	<u>91,887</u>
Noncurrent assets:	
Capital assets:	
Equipment	79,042
Less accumulated depreciation	<u>(53,324)</u>
Total capital assets (net of accumulated depreciation)	<u>25,718</u>
Total assets	<u><u>117,605</u></u>
<u><b>LIABILITIES</b></u>	
Current liabilities:	
Accounts payable	<u>66,174</u>
Total current liabilities	<u>66,174</u>
<u><b>NET POSITION</b></u>	
Net Investment in Capital Assets	25,718
Unrestricted	<u>25,713</u>
Total net position	<u><u>51,431</u></u>

**The accompanying Notes to Financial Statements are an  
integral part of this statement**

Exhibit B-5

**WOOD-RIDGE BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	141,990
Daily sales - non-reimbursable programs	149,449
Total operating revenues	<u>291,439</u>
Operating expenses:	
Cost of sales	164,499
Salaries	163,834
Supplies and materials	12,601
Employee benefits	12,067
Cleaning, repair & maintenance	9,094
Purchased property services	26,807
Depreciation	3,523
Total Operating Expenses	<u>392,425</u>
Operating income (loss)	<u>(100,986)</u>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	3,331
Federal sources:	
National school lunch program	86,411
Food distribution program	13,245
Total nonoperating revenues (expenses)	<u>102,987</u>
Income (loss) before contributions & transfers	2,001
Transfers in (out)	
Change in net position	<u>2,001</u>
Total net position—beginning	<u>49,430</u>
Total net position—ending	<u><u>51,431</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u><b>Food Service Program</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	291,439
Payments to Outside Food Service Management Company	(360,598)
Payments for repairs, maintenance	(9,094)
Payments to suppliers	(2,544)
Net cash provided by (used for) operating activities	<u>(80,797)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	3,287
Federal Sources	84,440
Operating subsidies and transfers to other funds	-
Net cash provided by (used for) non-capital financing activities	<u>87,727</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(6,392)
Net cash provided by (used for) capital and related financing activities	<u>(6,392)</u>
Net increase (decrease) in cash and cash equivalents	538
Balances—beginning of year	73,987
Balances—end of year	<u><u>74,525</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(100,986)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	3,523
Food Distribution Program	13,245
(Increase) decrease in inventories	(831)
Increase (decrease) in accounts payable	4,252
Total adjustments	<u>20,189</u>
Net cash provided by (used for) operating activities	<u><u>(80,797)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	100,403	17,358	111,482
Intrafund receivable	<u>1,282</u>		
Total assets	<u>101,685</u>	<u>17,358</u>	<u>111,482</u>
<b>LIABILITIES</b>			
Payable to student groups			103,594
Payroll deductions and withholdings			4,952
Flexible spending contributions			599
Interfund - general fund	3,095		1,055
Intrafund payable			1,282
Payroll taxes payable	1,082		
Unemployment claims payable	<u>16,697</u>		
Total liabilities	<u>20,874</u>	<u>-</u>	<u>111,482</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	<u>80,811</u>		
Reserved for scholarships		<u>17,358</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**WOOD-RIDGE BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Employee Contributions	26,528	
Board Contributions	47,835	
Total Contributions	<u>74,363</u>	<u>-</u>
Investment Earnings:		
Interest	290	16
Net Investment Earnings	290	16
Total additions	<u>74,653</u>	<u>16</u>
<b>DEDUCTIONS</b>		
Payroll taxes payable	11,369	
Unemployment claims	58,840	
Scholarships		1,250
Total deductions	<u>70,209</u>	<u>1,250</u>
Change in net position	4,444	(1,234)
Net position—beginning of the year	76,367	18,592
Net position—end of the year	<u>80,811</u>	<u>17,358</u>

**The accompanying Notes to Financial Statements  
are an integral part of this statement.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Board of Education ("Board") of the Borough of Wood-Ridge School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Wood-Ridge School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of six members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education of the Borough of Wood-Ridge School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation:**

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**District-wide Financial Statements:**

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

**Fund Financial Statements:**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.



**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation: (continued)**

**GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Basis of Presentation: (continued)**

**GOVERNMENTAL FUNDS, (continued)**

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PROPRIETARY FUNDS**

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities and Athletic Funds, and Payroll Agency Fund.

**B. Measurement Focus:**

**District-wide Financial Statements**

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus: (continued)**

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**C. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. Basis of Accounting: (continued)**

**Revenues - Exchange and Non-exchange Transactions, (continued)**

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. Budgets/Budgetary Control: (continued)**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**E. Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**F. Cash, Cash Equivalents and Investments: (continued)**

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**G. Tuition Payable:**

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**H. Inventories:**

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**J. Short-Term Interfund Receivables/Payables:**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**K. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**M. Unearned Revenue:**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**N. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District has one item that meets this criterion, an unamortized loss on a bond defeasance for school refunding bonds. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period so will not be recognized as revenue until then. The District has one item that meets the criterion for this category - unamortized premium on sale of refunding bonds.

**O. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.



**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**P. Fund Balances:**

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Q. Net Position:**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Q. Net Position: (continued)**

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**R. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**S. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence.

On April 2, 2014, the Board of Education authorized the sale of property to the Borough of Wood-Ridge for \$2,500,000. \$1,000,000 of the purchase price was received prior to the end of the fiscal year. The full amount of the sale price of \$2,500,000 is recognized as revenue as an extraordinary item – sale of property – on the statement of activities.

**T. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**U. Use of Estimates:**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**V. Recent Accounting Pronouncements:**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$-0- of the District's bank balance of \$2,253,470 was exposed to custodial credit risk.

**Borough of Wood-Ridge School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Investments**

**Investment Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.

**NOTE 4. RECEIVABLES**

Receivables at June 30, 2014, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$231,379	\$545	\$231,924
Federal Aid	1,598	14,161	15,759
Interfunds	4,150		4,150
Other	1,578,885		1,578,885
Taxes	<u>1,278,758</u>		<u>1,278,758</u>
Gross Receivables	3,094,770	14,706	3,109,476
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$3,094,770</u>	<u>\$14,706</u>	<u>\$3,109,476</u>

**Borough of Wood-Ridge School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 5. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at June 30, 2014, consisted of the following:

\$1,282	Due from the Agency Fund to the Unemployment Trust Fund for contributions.
1,055	Due to the General Fund from the Agency Fund for reimbursement of expenses and interest earned on investments.
<u>3,095</u>	Due to the General Fund from the Unemployment Trust Fund to reimburse expenses paid.
<u>\$5,432</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Being Depreciated				
Land Improvements	294,009			294,009
Buildings and Improvements	12,412,182	47,993		12,460,175
Machinery and Equipment	<u>1,091,209</u>	<u>18,233</u>		<u>1,109,442</u>
Total at Historical Cost	<u>13,797,400</u>	<u>66,226</u>		<u>13,863,626</u>
Less Accumulated Depreciation for:				
Land Improvements	(144,520)	(9,220)		(153,740)
Buildings and Improvements	(3,757,488)	(237,428)		(3,994,916)
Equipment	<u>(790,376)</u>	<u>(102,270)</u>		<u>(892,646)</u>
Total Accumulated Depreciation	<u>(4,692,384)</u>	<u>(348,918)</u>		<u>(5,041,302)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>9,105,016</u>	<u>(282,692)</u>		<u>8,822,324</u>
Governmental Activities Capital Assets, Net	<u>\$9,105,016</u>	<u>(\$282,692)</u>	<u>\$0</u>	<u>\$8,822,324</u>

**Borough of Wood-Ridge School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 6. CAPITAL ASSETS, (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Business-Type Activity</b>				
Equipment	\$72,650	\$6,392	\$	\$79,042
Less Accumulated Depreciation for:				
Equipment	<u>(49,801)</u>	<u>(3,523)</u>	<u>      </u>	<u>(53,324)</u>
Business-Type Activity Capital Assets, Net	<u>\$22,849</u>	<u>\$2,869</u>	<u>\$</u>	<u>\$25,718</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$44,195
Support Services - Instructional	15,291
General Administration	5,033
School Administration	35,413
Operations & Maintenance	2,338
Direct Expense of Various Functions	<u>246,648</u>
	<u>\$348,918</u>

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY**

Changes in long-term obligations for the year ended June 30, 2014 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
School Bonds Payable	\$5,035,000	\$	(\$310,000)	\$4,725,000	\$330,000
Other Liabilities:					
Compensated Absences Payable	<u>223,698</u>	<u>33,640</u>	<u>(17,590)</u>	<u>239,748</u>	<u>      </u>
	<u>\$5,258,698</u>	<u>\$33,640</u>	<u>(\$327,590)</u>	<u>\$4,964,748</u>	<u>\$330,000</u>

Compensated absences have been liquidated in the general fund.

**Borough of Wood-Ridge School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)**

**A. School Bonds Payable**

The District's bonds payable, serviced by the debt service fund, were issued to fund various school improvements approved via referendum on September 24, 2002. Principal and interest requirements are appropriated when due.

Principal and interest due on bonds outstanding are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$320,000	\$138,350	\$458,350
2016	330,000	127,200	457,200
2017	345,000	117,075	462,075
2018	360,000	106,500	466,500
2019	375,000	95,475	470,475
2020-2024	2,080,000	297,450	2,377,450
2025-2026	<u>915,000</u>	<u>27,525</u>	<u>942,525</u>
	<u>\$4,725,000</u>	<u>\$909,575</u>	<u>\$5,634,575</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2014 the Board had authorized but not issued bonds of \$521,000 with respect to the School Improvement Project approved by the voters on September 24, 2002.

**C. Refunding Bonds**

On January 31, 2013, the District issued \$4,450,000 in School Refunding Bonds with interest rates ranging from 1.5% to 3.0% to refund \$4,425,000 of the \$5,010,000 school bonds dated July 15, 2005 with an interest rate of 4%. The refunding bonds will mature on July 15, 2013 through July 15, 2025 and constitute a current refunding. The net proceeds from the issuance of the school refunding bonds were used to purchase U.S. government securities and those securities were deposited with an escrow agent who will pay the debt service requirements of the refunded bonds on July 15, 2014 at a redemption price equal to 100% of par.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 8. OPERATING LEASES**

The District has commitments to lease copying equipment, postage meters, and mobile radios under operating leases which expire in August of 2018. Total operating lease payments made during the year ended June 30, 2014 were \$78,962. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
2015	\$84,877
2016	62,602
2017	48,963
2018	25,086
2019	<u>3,978</u>
Total future minimum lease payments	<u>\$225,506</u>

**NOTE9. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.



**Borough of Wood-Ridge School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 9. PENSION PLANS, (continued)**

**Contribution Requirements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

<u>Year</u> <u>Ending</u>	
6/30/14	\$145,692
6/30/13	144,181
6/30/12	163,353

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal, post retirement benefits and NCGI Premium were as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-</u> <u>Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>
6/30/14	\$253,665	\$452,628	\$22,390
6/30/13	406,414	483,731	21,383
6/30/12	194,067	431,989	20,326

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 9. PENSION PLANS, (continued)**

During the year ended June 30, 2014, the State of New Jersey contributed \$728,683 to the TPAF for normal pension contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$489,817 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

**Defined Contribution Retirement Program**

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

The Board contributed \$10,486 in fiscal year 2014 for the 5 employees enrolled in the DCRP.

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members.

**NOTE 11. DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Valic  
Faculty Services

Equitable Equi-Vest

**NOTE 12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

**Borough of Wood-Ridge School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2014**

**NOTE 12. RISK MANAGEMENT, (continued)**

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$48,125	\$26,528	\$70,209	\$80,811
2012-2013	44,849	13,788	93,426	76,367
2011-2012	81,076	12,411	58,089	111,156

**NOTE 13. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Borough of Wood-Ridge Board of Education by inclusion of \$1.00 on October 11, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	\$37,981
Deposits:	
Board Resolution - June 18, 2014	2,500,000
Interest Earnings	<u>127</u>
Ending balance, June 30, 2014	<u>\$2,538,108</u>

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 14. EMERGENCY RESERVE ACCOUNT**

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	<u>\$100,000</u>
Ending balance, June 30, 2014	<u>\$100,000</u>

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund [Exhibit B-1]** - Of the \$3,700,510 General Fund fund balance at June 30, 2014, \$24,250 is reserved for encumbrances; \$698,115 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$579,538 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$2,538,108 has been reserved in the Capital Reserve Account; \$100,000 has been reserved in the Emergency Reserve Account; \$-0- has been designated for subsequent year's expenditures; and \$340,037 is unreserved and undesignated.

**Debt Service Fund** - Of the \$14,981 Debt Service Fund balance, \$-0- has been appropriated and included as anticipated revenue for the year ended June 30, 2014 and \$14,981 is unreserved and undesignated.

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$698,115; \$118,577 is the result of current year activity.

**NOTE 17. INVENTORY**

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food	\$1,904
Supplies	<u>752</u>
	<u>\$2,656</u>

**Borough of Wood-Ridge School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2014**

**NOTE 17. INVENTORY, (continued)**

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**NOTE 18. CONTINGENT LIABILITIES**

**Grant Programs** - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**Litigation** - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**NOTE 19. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through October 23, 2014, the date which the financial statements were available to be issued and the following was noted for disclosure:

On September 30, 2014, the voters approved, via referendum, school improvements totaling \$13,819,913. The Board anticipates receiving state grants to fund \$4,442,400 of the improvements. The remaining balance of \$9,377,513 will be funded through the utilization of capital reserve and the sale of bonds.

The Board also approved a \$948,900 capital project to replace the high school roof. This project is to be funded with capital reserve monies in addition to a state grant of up to \$379,560.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**



**WOOD-RIDGE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	15,141,775		15,141,775	15,141,775	-
Tuition	1,226,045		1,226,045	1,164,499	(61,546)
Interest earned on Capital Reserve Funds	1,000		1,000	126	(874)
Rents & Royalties	252,400		252,400	251,368	(1,032)
Sale of Property				2,500,000	2,500,000
Miscellaneous	21,000		21,000	97,013	76,013
Total - Local Sources	16,642,220	-	16,642,220	19,154,781	2,512,561
State Sources:					
Categorical Special Education Aid	663,039		663,039	663,039	-
Equalization Aid	42,210		42,210	42,210	-
Categorical Security Aid	18,978		18,978	18,978	-
Categorical Transportation Aid	32,013		32,013	32,013	-
Extraordinary Aid		223,000	223,000	229,562	6,562
TPAF Pension and Post Retirement Medical Contributions (On-Behalf - Non-Budgeted)			-	452,628	452,628
TPAF Pension Contribution (On-Behalf - Non-Budgeted)			-	253,665	253,665
TPAF NCGI Premium (On-Behalf - Non-Budgeted)			-	22,390	22,390
TPAF Social Security (Reimbursed - Non-Budgeted)			-	489,817	489,817
Total - State Sources	756,240	223,000	979,240	2,204,302	1,225,062
<b>TOTAL REVENUES</b>	<b>17,398,460</b>	<b>223,000</b>	<b>17,621,460</b>	<b>21,359,083</b>	<b>3,737,623</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool - Salaries of Teachers	-	51,100	51,100	51,100	-
Kindergarten - Salaries of Teachers	306,742	46,810	353,552	353,543	9
Grades 1-5 - Salaries of Teachers	1,613,422	(138,808)	1,474,614	1,474,526	88
Grades 6-8 - Salaries of Teachers	848,131	137,451	985,582	985,581	1
Grades 9-12 - Salaries of Teachers	1,741,112	(60,577)	1,680,535	1,678,540	1,995
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	5,000	(3,106)	1,894	1,893	1
Purchased Prof. Educational Services	5,000	(5,000)			-
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	72,906	10,452	83,358	83,207	151
Purchased Prof. Educational Services	55,570	(51,220)	4,350	4,334	16
Purchased Technical Services	2,950	(1,004)	1,946	1,298	648
Other Purchased Services (400-500 series)	75,870	563	76,433	76,316	117
General Supplies	279,260	(41,525)	237,735	233,539	4,196
Textbooks	154,424	(13,421)	141,003	140,986	17
Other Objects	2,205	(1,485)	720	720	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>5,162,592</b>	<b>(69,770)</b>	<b>5,092,822</b>	<b>5,085,583</b>	<b>7,239</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	748,203	162,512	910,715	910,714	1
Other Salaries for Instruction	77,302	(1,118)	76,184	76,183	1
General Supplies	14,600	(1,694)	12,906	10,850	2,056
Textbooks	400	(400)			-
<b>Total Resource Room/Resource Center</b>	<b>840,505</b>	<b>159,300</b>	<b>999,805</b>	<b>997,747</b>	<b>2,058</b>
<b>Home Instruction:</b>					
Salaries of Teachers	-	12,301	12,301	12,301	-
Purchased Prof-Ed. Services	-	5,115	5,115	4,875	240
<b>Total Home Instruction</b>	<b>-</b>	<b>17,416</b>	<b>17,416</b>	<b>17,176</b>	<b>240</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>840,505</b>	<b>176,716</b>	<b>1,017,221</b>	<b>1,014,923</b>	<b>2,298</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	51,063	-	51,063	51,063	-
General Supplies	500	(66)	434	432	2
<b>Total Basic Skills/Remedial - Instruction</b>	<b>51,563</b>	<b>(66)</b>	<b>51,497</b>	<b>51,495</b>	<b>2</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	52,263	(19,402)	32,861	32,854	7
Purchased Prof. Educational Services	500	(500)			-
General Supplies	500	(1)	499	497	2
<b>Total Bilingual Education - Instruction</b>	<b>53,263</b>	<b>(19,903)</b>	<b>33,360</b>	<b>33,351</b>	<b>9</b>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	82,500	1,275	83,775	70,609	13,166
Supplies and Materials	250	265	515	328	187
Other Objects	-	3,825	3,825	3,819	6
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>82,750</b>	<b>5,365</b>	<b>88,115</b>	<b>74,756</b>	<b>13,359</b>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	211,285	(11,000)	200,285	198,677	1,608
Purchased Services (300-500 series)	73,960	(29,000)	44,960	44,813	147
Supplies and Materials	45,875	(6,235)	39,640	38,328	1,312
Other Objects	20,210	(654)	19,556	15,552	4,004
<b>Total School-Sponsored Athletics - Instruction</b>	<b>351,330</b>	<b>(46,889)</b>	<b>304,441</b>	<b>297,370</b>	<b>7,071</b>
<b>Other Instructional Programs - Instruction</b>					
Other Objects	1,200	-	1,200		1,200
<b>Total Other Instructional Programs - Instruction</b>	<b>1,200</b>		<b>1,200</b>		<b>1,200</b>
<b>TOTAL INSTRUCTION</b>	<b>6,543,203</b>	<b>45,453</b>	<b>6,588,656</b>	<b>6,557,478</b>	<b>31,178</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Special	876,945	217,341	1,094,286	1,094,255	31
Tuition to County Voc. School Dist. - Regular	336,000	6,000	342,000	341,930	70
Tuition to County Voc. School Dist. - Special	208,800	27,260	236,060	236,060	-
Tuition to CSSD & Regional Day Schools	417,530	99,753	517,283	517,247	36
Tuition to Private Schools for the Disabled - Within State	912,514	193,700	1,106,214	1,105,914	300
<b>Total Undistributed Expenditures - Instruction:</b>	<b>2,751,789</b>	<b>544,054</b>	<b>3,295,843</b>	<b>3,295,406</b>	<b>437</b>
<b>Undist. Expend. - Attendance and Social Work Services</b>					
Supplies and Materials	-	4,500	4,500	4,492	8
<b>Total Undistributed Expenditures - Attendance and Social Work Services:</b>		<b>4,500</b>	<b>4,500</b>	<b>4,492</b>	<b>8</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	158,759	3,225	161,984	161,984	-
Purchased Professional & Technical Services	17,000	(5,100)	11,900	11,900	-
Other Purchased Services (400-500 series)	250	(250)			-
Supplies and Materials	6,161	4,900	11,061	10,258	803
<b>Total Undistributed Expenditures - Health Services</b>	<b>182,170</b>	<b>2,775</b>	<b>184,945</b>	<b>184,142</b>	<b>803</b>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Svcs</b>					
Salaries	137,916	3,100	141,016	140,998	18
Purchased Professional- Education Services	375,000	54,869	429,869	425,238	4,631
Supplies and Materials	-	700	700	446	254
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Svcs</b>	<b>512,916</b>	<b>58,669</b>	<b>571,585</b>	<b>566,682</b>	<b>4,903</b>
<b>Undist. Expend. - Other Supp. Serv. Students-Extra. Serv.</b>					
Salaries	68,356	600	68,956	68,951	5
Purchased Prof. Educational Services	22,144	31,000	53,144	50,521	2,623
<b>Total Undist. Expend. - Other Supp. Serv. Students-Extra. Serv.</b>	<b>90,500</b>	<b>31,600</b>	<b>122,100</b>	<b>119,472</b>	<b>2,628</b>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	325,810	(5,448)	320,362	320,158	204
Salaries of Secretarial and Clerical Assistants	43,300	3,520	46,820	46,818	2
Purchased Professional - Educational Services	9,500	(3,852)	5,648	5,595	53
Other Purchased Services (400-500 series)	750	(660)	90		90
Supplies and Materials	12,170	(5,370)	6,800	6,322	478
Other Objects	900	(800)	100	40	60
<b>Total Undist. Expend. - Guidance</b>	<b>392,430</b>	<b>(12,610)</b>	<b>379,820</b>	<b>378,933</b>	<b>887</b>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Secretarial and Clerical Assistants	43,300	-	43,300	43,300	-
Purchased Professional - Educational Services	347,900	(2,628)	345,272	344,916	356
Other Purchased Services (400-500 series)	6,075	(1,672)	4,403	4,327	76
Supplies and Materials	10,800	(5,200)	5,600	5,523	77
<b>Total Undist. Expend. - Child Study Teams</b>	<b>408,075</b>	<b>(9,500)</b>	<b>398,575</b>	<b>398,066</b>	<b>509</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	81,600	(79,750)	1,850	1,848	2
Salaries of Other Professional Staff	-	17,600	17,600	17,126	474
Other Purchased Services (400-500 series)	2,000	(2,000)			-
Supplies and Materials	2,858	4	2,862	2,862	-
Other Objects	900				-
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>87,358</b>	<b>(65,046)</b>	<b>22,312</b>	<b>21,836</b>	<b>476</b>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	207,634	7,200	214,834	214,834	-
Other Purchased Services (400-500 series)	10,790	610	11,400	11,399	1
Supplies and Materials	6,543	(2,825)	3,718	3,701	17
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>224,967</b>	<b>4,985</b>	<b>229,952</b>	<b>229,934</b>	<b>18</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Services	12,750	151	12,901	12,901	
Other Purchased Services (400-500 series)	2,250	(1,291)	959	670	289
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>15,000</b>	<b>(1,140)</b>	<b>13,860</b>	<b>13,571</b>	<b>289</b>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	234,674	86,828	321,502	321,497	5
Legal Services	40,000	2,400	42,400	41,566	834
Audit Fees	47,000	-	47,000	24,000	23,000
Architectural/Engineering Services	10,000	8,128	18,128	18,113	15
Other Purchased Professional Services	16,850	(11,000)	5,850	3,750	2,100
Communications/Telephone	98,750	(23,025)	75,725	75,228	497
BOE Other Purchased Prof. Services	4,000	(1,800)	2,200	2,135	65
Misc. Purch Serv (400-500)	42,505	(7,500)	35,005	34,902	103
General Supplies	10,500	(3,600)	6,900	6,477	423
Miscellaneous Expenditures	3,000	(1,725)	1,275	1,257	18
BOE Membership Dues and Fees	8,000	(800)	7,200	7,187	13
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>515,279</b>	<b>47,906</b>	<b>563,185</b>	<b>536,112</b>	<b>27,073</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	548,675	(17,088)	531,587	531,508	79
Salaries of Secretarial and Clerical Assistants	225,150	(18,740)	206,410	205,295	1,115
Other Purchased Services (400-500 series)	23,705	(6,652)	17,053	15,371	1,682
Supplies and Materials	51,200	(21,330)	29,870	27,582	2,288
Other Objects	4,500	-	4,500	4,260	240
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>853,230</b>	<b>(63,810)</b>	<b>789,420</b>	<b>784,016</b>	<b>5,404</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	243,650	1,325	244,975	244,889	86
Purchased Professional Services	36,100	5,420	41,520	41,517	3
Purchased Technical Services	-	2,210	2,210	2,200	10
Misc. Purchased Services (400-500 series)	14,605	130	14,735	10,982	3,753
Supplies and Materials	16,500	(7,810)	8,690	7,084	1,606
Miscellaneous Expenditures	1,500	-	1,500	1,215	285
<b>Total Undist. Expend. - Central Services</b>	<b>312,355</b>	<b>1,275</b>	<b>313,630</b>	<b>307,887</b>	<b>5,743</b>
<b>Undist. Expend. - Admin. Info. Technology</b>					
Salaries	119,695	(15,500)	104,195	104,095	100
Purchased Technical Services	15,400	2,061	17,461	17,461	-
Other Purchased Services (400-500 series)	500	(500)	-	-	-
Supplies and Materials	25,600	(3,353)	22,247	20,505	1,742
Other Objects	500	(250)	250	249	1
<b>Total Undist. Expend. - Admin. Info. Technology</b>	<b>161,695</b>	<b>(17,542)</b>	<b>144,153</b>	<b>142,310</b>	<b>1,843</b>
<b>Undist. Expend. - Required Maint. for School Facilities</b>					
Salaries	172,544	9,730	182,274	182,271	3
Cleaning, Repair and Maintenance Services	102,100	22,717	124,817	120,718	4,099
Travel	-	300	300	244	56
General Supplies	5,000	(5,000)	-	-	-
Other Objects	1,500	716	2,216	2,216	-
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>281,144</b>	<b>28,463</b>	<b>309,607</b>	<b>305,449</b>	<b>4,158</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	576,518	8,175	584,693	584,683	10
Salaries of Non-Instructional Aides	6,000	(403)	5,597	5,596	1
Purchased Professional and Technical Services	19,600	(15,015)	4,585	4,585	-
Cleaning, Repair and Maintenance Services	22,980	(18,586)	4,394	4,393	1
Rental of Land & Bldg. Other Than Lease Purchase Agreement	2	-	2	1	1
Other Purchased Property Services	21,400	(7,000)	14,400	12,390	2,010
Insurance	75,500	2,825	78,325	78,325	-
Travel	-	300	300	297	3
Miscellaneous Purchased Services	30,250	(250)	30,000	30,000	-
General Supplies	127,700	(17,334)	110,366	110,211	155
Energy (Natural Gas)	217,000	(96,417)	120,583	113,208	7,375
Energy (Energy and Electricity)	201,000	(6,600)	194,400	192,421	1,979
Other Objects	2,500	(1,775)	725	714	11
<b>Total Undist. Expend. - Custodial Services</b>	<b>1,300,450</b>	<b>(152,080)</b>	<b>1,148,370</b>	<b>1,136,824</b>	<b>11,546</b>
<b>Undist. Expend. - Care and Upkeep of Grounds</b>					
Salaries	23,118	1	23,119	23,118	1
Purchased Professional and Technical Services	10,000	(9,970)	30	30	-
Cleaning, Repair and Maintenance Services	5,500	(2,690)	2,810	2,096	714
General Supplies	5,500	(5,230)	270	269	1
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>44,118</b>	<b>(17,889)</b>	<b>26,229</b>	<b>25,513</b>	<b>716</b>
<b>Undist. Expend. - Security</b>					
Purchased Professional and Technical Services	21,000	(10,860)	10,140	10,139	1
General Supplies	-	5,460	5,460	5,459	1
<b>Total Undist. Expend. - Security</b>	<b>21,000</b>	<b>(5,400)</b>	<b>15,600</b>	<b>15,598</b>	<b>2</b>
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>1,646,712</b>	<b>(146,906)</b>	<b>1,499,806</b>	<b>1,483,384</b>	<b>16,422</b>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2014**

	<b>Original Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries for Pupil Trans (Other than Between Home and School)	30,000	7,165	37,165	37,162	3
Management Fee - ESC Transp. Prog.	-	13,041	13,041	13,041	-
Cleaning, Repair, & Maintenance Services	5,000	(1,225)	3,775	3,774	1
Contract Services (Other than Between Home & School)-Vendors	30,000	2,635	32,635	32,634	1
Contract Services (Bet. Home & Sch) - Joint Agrmnts	70,000	(9,200)	60,800	60,723	77
Contract Service (Spl. Ed Students)-ESC's & CTSA's	400,000	34,689	434,689	434,688	1
Contract Services (Sp Ed Stds) - Joint Agrmnts	25,000	(11,500)	13,500	13,500	-
Contract Services (Charter Students) - Aid-in-lieu	-	2,652	2,652	2,652	-
Miscellaneous Purchased Services - Transportation	5,000	(1,960)	3,040	2,799	241
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>565,000</b>	<b>36,297</b>	<b>601,297</b>	<b>600,973</b>	<b>324</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	210,000	(1,200)	208,800	199,735	9,065
Other Retirement Contributions - PERS	175,000	(28,720)	146,280	145,692	588
Other Retirement Contributions - Regular	-	10,486	10,486	10,486	-
Unemployment Compensation	120,000	-	120,000	86,466	33,534
Worker's Compensation	73,000	(2,300)	70,700	70,687	13
Health Benefits	1,987,147	(242,740)	1,744,407	1,743,249	1,158
Tuition Reimbursement	30,000	(7,700)	22,300	22,300	-
Other Employee Benefits	30,000	(15,711)	14,289	14,289	-
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>2,625,147</b>	<b>(287,885)</b>	<b>2,337,262</b>	<b>2,292,904</b>	<b>44,358</b>
<b>On-behalf TPAF pension Contributions and Post Retirement</b>					
Medical Benefits (non-budgeted)	-	-	-	728,683	(728,683)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	489,817	(489,817)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,218,500</b>	<b>(1,218,500)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,625,147</b>	<b>(287,885)</b>	<b>2,337,262</b>	<b>3,511,404</b>	<b>(1,174,142)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>11,344,623</b>	<b>127,622</b>	<b>11,472,245</b>	<b>12,578,620</b>	<b>(1,106,375)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>17,887,826</b>	<b>173,075</b>	<b>18,060,901</b>	<b>19,136,098</b>	<b>(1,075,197)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
School -Spons. & other instruction programs	-	3,439	3,439	3,439	-
<b>Undistributed</b>					
Undistributed Expenditures - Administrative Info Tech	-	8,542	8,542	8,542	-
Undist. Expend. - Required Maint. For School Facilities	24,323	23,670	47,993	47,993	-
Undist. Expend. - Custodial Services	-	6,252	6,252	6,252	-
<b>Total Equipment</b>	<b>24,323</b>	<b>41,903</b>	<b>66,226</b>	<b>66,226</b>	<b>-</b>
<b>Facilities Acquisition of Construction Serv.</b>					
Other Objects	45,603	(16,028)	29,575	29,575	-
<b>Total Facilities Acquisition and Construction</b>	<b>45,603</b>	<b>(16,028)</b>	<b>29,575</b>	<b>29,575</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>69,926</b>	<b>25,875</b>	<b>95,801</b>	<b>95,801</b>	<b>-</b>
<b>Transfer of Funds to Charter Schools</b>	<b>38,436</b>	<b>24,050</b>	<b>62,486</b>	<b>62,473</b>	<b>13</b>
<b>TOTAL EXPENDITURES</b>	<b>17,996,188</b>	<b>223,000</b>	<b>18,219,188</b>	<b>19,294,372</b>	<b>(1,075,197)</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>(597,728)</b>	<b>-</b>	<b>(597,728)</b>	<b>2,064,711</b>	<b>2,662,439</b>

WOOD-RIDGE BOARD OF EDUCATION  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1				1,663,841	-
Fund Balance, June 30	<u>(597,728)</u>	<u>-</u>	<u>(597,728)</u>	<u>3,728,552</u>	<u>2,662,439</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for prior years encumbrances	(49,073)		(49,073)		49,073
Increase in Capital Reserve				2,500,000	2,500,000
Principal	1,000		1,000	126	(874)
Interest	(549,655)		(549,655)	(435,415)	114,240
Budgeted Fund Balance	<u>(597,728)</u>	<u>-</u>	<u>(597,728)</u>	<u>2,064,711</u>	<u>2,662,439</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				2,538,108	
Emergency Reserve				100,000	
Excess Surplus - Designated for Subsequent Years' Expenditures				579,538	
Excess Surplus - Current Year				118,577	
Assigned Fund Balance:					
Year-End Encumbrances				24,250	
Unassigned Fund Balance				<u>368,079</u>	
				3,728,552	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>(28,042)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>3,700,510</u>	

**WOOD-RIDGE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	3,000	11,027	14,027	10,501	(3,526)
Federal Sources	271,827	38,474	310,301	309,549	(752)
<b>Total Revenues</b>	<b>274,827</b>	<b>49,501</b>	<b>324,328</b>	<b>320,050</b>	<b>(4,278)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers		6,311	6,311	6,311	-
Purchased Professional - Educational Services	196,788	(193,863)	2,925	2,925	-
Other Purchased Services (400-500 series)	9,645	224,998	234,643	234,643	-
General Supplies	2,351	32,432	34,783	32,263	2,520
Textbooks		3,500	3,500	3,252	248
<b>Total instruction</b>	<b>208,784</b>	<b>73,378</b>	<b>282,162</b>	<b>279,394</b>	<b>2,768</b>
Support services:					
Personal Services - Employee Benefits		253	253	253	-
Purchased Professional Educational Services		19,500	19,500	19,500	-
Other Purchased Services	63,043	(59,229)	3,814	3,795	19
Miscellaneous Purchased Services		15,201	15,201	15,201	-
Supplies & Materials	3,000	292	3,292	1,907	1,385
Other Objects		106	106	-	106
<b>Total support services</b>	<b>66,043</b>	<b>(23,877)</b>	<b>42,166</b>	<b>40,656</b>	<b>1,510</b>
<b>Total Expenditures</b>	<b>274,827</b>	<b>49,501</b>	<b>324,328</b>	<b>320,050</b>	<b>4,278</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2014**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1],[C-2]	21,359,083	320,050
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		38,950	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)		(28,042)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	21,369,991	320,050
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	19,294,372	320,050
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	19,294,372	320,050

**SPECIAL REVENUE FUND**



**WOOD-RIDGE BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2014**

	Total	Title I Improving Basic Programs	Title I Improving Basic Programs Carryover	Title II, Part A Teacher & Principal Training & Recruiting	Title II, Part A Teacher & Principal Training & Recruiting Carryover	Title III, English & Language Acq. & Language Enhancement	Totals 2014
<b>REVENUES</b>							
Local Sources	10,501						10,501
Federal Sources	234,643	53,743	1,065	15,201	1,798	3,099	309,549
<b>Total Revenues</b>	<b>245,144</b>	<b>53,743</b>	<b>1,065</b>	<b>15,201</b>	<b>1,798</b>	<b>3,099</b>	<b>320,050</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	3,000	3,311					6,311
Purchased Services	-	2,925					2,925
Other Purchased Services (400-500 series)	234,643						234,643
General Supplies	2,342	26,556	866			2,499	32,263
Textbooks	3,252						3,252
<b>Total instruction</b>	<b>243,237</b>	<b>32,792</b>	<b>866</b>	<b>-</b>	<b>-</b>	<b>2,499</b>	<b>279,394</b>
<b>Support Services:</b>							
Personal Services - Employee Benefits	-	253					253
Purchased Professional Educational Services	-	19,500					19,500
Other Purchased Services	-	1,198	199		1,798	600	3,795
Miscellaneous Purchased Services	-			15,201			15,201
Supplies & Materials	1,907						1,907
<b>Total support services</b>	<b>1,907</b>	<b>20,951</b>	<b>199</b>	<b>15,201</b>	<b>1,798</b>	<b>600</b>	<b>40,656</b>
<b>Total Expenditures</b>	<b>245,144</b>	<b>53,743</b>	<b>1,065</b>	<b>15,201</b>	<b>1,798</b>	<b>3,099</b>	<b>320,050</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2014**

	Total Brought Forward (Ex. E-1b)	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	Wood-Ridge Education Association	Exxon Grant	Total Carried Forward
<b>REVENUES</b>						
Local Sources	4,825			5,179	497	10,501
State Sources	-					-
Federal Sources	-	223,790	10,853			234,643
<b>Total Revenues</b>	<b>4,825</b>	<b>223,790</b>	<b>10,853</b>	<b>5,179</b>	<b>497</b>	<b>245,144</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	3,000					3,000
Purchased Services	-					-
Other Purchased Services (400-500 series)	-	223,790	10,853			234,643
General Supplies	415			1,927		2,342
Textbooks	-			3,252		3,252
Other Objects	-					-
<b>Total instruction</b>	<b>3,415</b>	<b>223,790</b>	<b>10,853</b>	<b>5,179</b>	<b>-</b>	<b>243,237</b>
<b>Support services:</b>						
Personal Services - Employee Benefits	-					-
Purchased Professional Educational Services	-					-
Other Purchased Services	-					-
Miscellaneous Purchased Services	-					-
Supplies & Materials	1,410				497	1,907
<b>Total support services</b>	<b>1,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>497</b>	<b>1,907</b>
<b>Total Expenditures</b>	<b>4,825</b>	<b>223,790</b>	<b>10,853</b>	<b>5,179</b>	<b>497</b>	<b>245,144</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Total Brought Forward (Ex. E-1c)</b>	<b>MSG Varsity</b>	<b>Italian- American Committee on Education</b>	<b>Total Carried Forward</b>
<b>REVENUES</b>				
Local Sources	-	1,410	3,415	4,825
State Sources	-	-	-	-
Federal Sources	-	-	-	-
<b>Total Revenues</b>	-	<b>1,410</b>	<b>3,415</b>	<b>4,825</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers	-	-	3,000	3,000
Purchased Services	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-
General Supplies	-	-	415	415
Textbooks	-	-	-	-
Other Objects	-	-	-	-
<b>Total instruction</b>	-	-	<b>3,415</b>	<b>3,415</b>
<b>Support services:</b>				
Personal Services - Employee Benefits	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-
Other Purchased Services	-	-	-	-
Miscellaneous Purchased Services	-	-	-	-
Supplies & Materials	-	1,410	-	1,410
<b>Total support services</b>	-	<b>1,410</b>	-	<b>1,410</b>
<b>Total Expenditures</b>	-	<b>1,410</b>	<b>3,415</b>	<b>4,825</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	-	-	-	-
<b>Expenditures and Other Financing Sources (Uses)</b>	-	-	-	-

**CAPITAL PROJECTS FUND**

**WOOD-RIDGE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance-Budgetary Basis**  
**Year Ended June 30, 2014**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	-
Interest on Investments	-
Federal Sources - Community Development Block Grant	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
	<hr/>
	-
	<hr/>

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
	<hr/>
	-
	<hr/>

Excess (deficiency) of revenues over (under) expenditures	-
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**Other Financing Sources (Uses)**

Transfers Out - Debt Service Fund	<hr/> (310,000)
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Fund balance - beginning	<hr/> 877,681
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Fund balance - ending	<hr/> <hr/> 567,681
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**WOOD-RIDGE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Various School Improvements**  
**From Inception and for the Year Ended June 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
EDA Loan proceeds	299,304		299,304	
Community Development Block Grant	42,169		42,169	
	<u>341,473</u>	<u>-</u>	<u>341,473</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	13,908		13,908	
Land and improvements			-	
Construction services	299,522		299,522	
Equipment purchases			-	
	<u>313,430</u>	<u>-</u>	<u>313,430</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,043</u>	<u>-</u>	<u>28,043</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	xxxxxx			
Grant Date				
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	347,634			
Additional authorized cost				
Revised authorized cost	341,473			
Percentage increase over original authorized cost	-			
Percentage completion	92%			
Original target completion date				
Revised target completion date				

**WOOD-RIDGE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Catherine E. Doyle Elementary - Additions and Renovations/Kitchen upgrades/Renovations to School Field**  
**From Inception and for the Year Ended June 30, 2014**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	1,045,200		1,045,200	1,045,200
Bond proceeds and transfers	4,738,068		4,738,068	5,259,068
	<u>5,783,268</u>	<u>-</u>	<u>5,783,268</u>	<u>6,304,268</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	1,261,494		1,261,494	1,209,138
Land and improvements			-	
Construction services	3,218,820		3,218,820	4,924,290
Equipment purchases	178,316		178,316	170,840
	<u>4,658,630</u>	<u>-</u>	<u>4,658,630</u>	<u>6,304,268</u>
<b>Other Financing Uses/ (Sources)</b>				
Unexpended bond proceeds transferred to Debt Service Fund	<u>(275,000)</u>	<u>(310,000)</u>	<u>(585,000)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,124,638</u>	<u>(585,000)</u>	<u>539,638</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	5830-060-02-0171			
Grant Date	12/27/2002			
Bond authorization date	9/24/2002			
Bonds authorized	3,462,000			
Bonds issued	3,185,000			
Original authorization cost	4,507,000			
Additional authorized cost	1,797,268			
Revised authorized cost	6,304,268			
Percentage increase over original authorized cost	0.40			
Percentage completion	74%			
Original target completion date	Jun-04			
Revised target completion date	Dec-04			

WOOD-RIDGE BOARD OF EDUCATION  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis  
 Wood-Ridge Middle/High School - Renovations  
 From Inception and for the Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	2,372,800		2,372,800	2,372,800
Bond proceeds and transfers	1,761,932		1,761,932	1,761,932
	<u>4,134,732</u>	<u>-</u>	<u>4,134,732</u>	<u>4,134,732</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	634,741		634,741	634,741
Land and improvements			-	
Construction services	3,146,042		3,146,042	3,146,042
Equipment purchases	353,949		353,949	353,949
	<u>4,134,732</u>	<u>-</u>	<u>4,134,732</u>	<u>4,134,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	5830-050-02-0172			
Grant Date	12/7/2002			
Bond authorization date	9/24/2002			
Bonds authorized	3,559,200			
Bonds issued	3,315,000			
Original authorization cost	5,932,000			
Additional authorized cost	(1,797,268)			
Revised authorized cost	4,134,732			
Percentage increase over original authorized cost	(0.30)			
Percentage completion	100%			
Original target completion date	Jun-04			
Revised target completion date	Nov-04			



WOOD-RIDGE BOARD OF EDUCATION  
Capital Projects Fund  
Summary Statement of Project Expenditures  
For the Fiscal Year Ended June 30, 2014

Project Title/Issue	Date	Appropriations	Expenditures to Date		Transferred to Debt Service Fund	Unexpended Balance June 30, 2014
			Prior Years	Current Year		
Tank Removal	4/20/93	43,346	48,446			(5,100)
Ventilation Renovations	4/20/93	11,900	15,768			(3,868)
Concrete work, steps and walls	4/20/93	3,000	2,750			250
Classroom corridor door replacement	4/20/93	101,565	102,123			(558)
Restroom shower renovations	4/20/93	123,839	82,105			41,734
Architect Fees	4/20/93	9,493	13,908			(4,415)
Wheel Chair Lifts	4/20/93	48,330	48,330			
Various School Improvements	9/24/02	10,439,000	9,068,362		310,000	1,060,638
		<u>10,780,473</u>	<u>9,381,792</u>		<u>310,000</u>	<u>1,088,681</u>
Analysis						
				Project Balance - June 30, 2014		1,088,681
				Unfunded Authorizations		(521,000)
				Fund Balance (Deficit) - June 30, 2014		<u>567,681</u>

## **PROPRIETARY FUNDS**

Exhibit G-1

**WOOD-RIDGE BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2014**

	<u>Food Service Program</u>	<u>Totals</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	74,525	74,525
Accounts receivable:		
State	545	545
Federal	14,161	14,161
Inventories	2,656	2,656
Total current assets	<u>91,887</u>	<u>91,887</u>
Noncurrent assets:		
Capital assets:		
Equipment	79,042	79,042
Less accumulated depreciation	<u>(53,324)</u>	<u>(53,324)</u>
Total capital assets (net of accumulated depreciation)	<u>25,718</u>	<u>25,718</u>
Total assets	<u><u>117,605</u></u>	<u><u>117,605</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	<u>66,174</u>	<u>66,174</u>
Total current liabilities	<u>66,174</u>	<u>66,174</u>
Total liabilities	<u><u>66,174</u></u>	<u><u>66,174</u></u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	25,718	25,718
Unrestricted	<u>25,713</u>	<u>25,713</u>
Total net position	<u><u>51,431</u></u>	<u><u>51,431</u></u>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Food Service Program</u>	<u>Totals</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	141,990	141,990
Daily sales - non-reimbursable programs	149,449	149,449
Total operating revenues	<u>291,439</u>	<u>291,439</u>
Operating expenses:		
Cost of sales	164,499	164,499
Salaries	163,834	163,834
Supplies and materials	12,601	12,601
Employee benefits	12,067	12,067
Cleaning repair & maintenance	9,094	9,094
Purchased property services	26,807	26,807
Depreciation	3,523	3,523
Total Operating Expenses	<u>392,425</u>	<u>392,425</u>
Operating income (loss)	<u>(100,986)</u>	<u>(100,986)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	3,331	3,331
Federal sources:		
National school lunch program	86,411	86,411
Food distribution program	13,245	13,245
Total nonoperating revenues (expenses)	<u>102,987</u>	<u>102,987</u>
Income (loss) before contributions & transfers	2,001	2,001
		-
Transfers in (out)		-
Change in net position	2,001	2,001
Total net position—beginning	49,430	49,430
Total net position—ending	<u>51,431</u>	<u>51,431</u>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Food Service Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	291,439	291,439
Payments to Outside Food Service Management Company	(360,598)	(360,598)
Payments for repairs, maintenance	(9,094)	(9,094)
Payments for supplies	(2,544)	(2,544)
Net cash provided by (used for) operating activities	<u>(80,797)</u>	<u>(80,797)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	3,287	3,287
Federal Sources	84,440	84,440
Operating subsidies and transfers to other funds	-	-
Net cash provided by (used for) non-capital financing activities	<u>87,727</u>	<u>87,727</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(6,392)	(6,392)
Net cash provided by (used for) capital and related financing activities	<u>(6,392)</u>	<u>(6,392)</u>
Net increase (decrease) in cash and cash equivalents	538	538
Balances—beginning of year	73,987	73,987
Balances—end of year	<u>74,525</u>	<u>74,525</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	(100,986)	(100,986)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	3,523	3,523
Food Distribution Program	13,245	13,245
(Increase) decrease in inventories	(831)	(831)
Increase (decrease) in accounts payable	4,252	4,252
Total adjustments	<u>20,189</u>	<u>20,189</u>
Net cash provided by (used for) operating activities	<u>(80,797)</u>	<u>(80,797)</u>

<b>FIDUCIARY FUND</b>
-----------------------

**WOOD-RIDGE BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	100,403	17,358	111,482
Intrafund Receivable	1,282		
Total assets	<u>101,685</u>	<u>17,358</u>	<u>111,482</u>
<b>LIABILITIES</b>			
Payable to student groups			103,594
Payroll deductions and withholding			4,952
Flexible spending contributions			599
Interfund - General Fund	3,095		1,055
Intrafund Payable			1,282
Payroll taxes payable	1,082		
Unemployment claims payable	16,697		
Total liabilities	<u>20,874</u>		<u>111,482</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	<u>80,811</u>		
Reserved for scholarships		<u>17,358</u>	

**WOOD-RIDGE BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Employee Contributions	26,528	
Board Contributions	47,835	
Total Contributions	<u>74,363</u>	<u>-</u>
Investment earnings:		
Interest	290	16
Net investment earnings	<u>290</u>	<u>16</u>
Total additions	<u>74,653</u>	<u>16</u>
<b>DEDUCTIONS</b>		
Payroll taxes payable	11,369	
Unemployment claims	58,840	
Scholarships		1,250
Total deductions	<u>70,209</u>	<u>1,250</u>
Change in net position	4,444	(1,234)
Net position—beginning of the year	<u>76,367</u>	<u>18,592</u>
Net position—end of the year	<u><u>80,811</u></u>	<u><u>17,358</u></u>



**WOOD-RIDGE BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
High School	101,560	240,349	238,454	103,455
	<u>101,560</u>	<u>240,349</u>	<u>238,454</u>	<u>103,455</u>
 Athletic Account	 77	 30,138	 30,076	 139
	<u>77</u>	<u>30,138</u>	<u>30,076</u>	<u>139</u>
	<u>101,637</u>	<u>270,487</u>	<u>268,530</u>	<u>103,594</u>

**WOOD-RIDGE BOARD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Net Payroll	7,313	5,646,475	5,652,244	1,544
Payroll Deductions and Withholdings	4,064	4,699,884	4,700,540	3,408
Flexible Spending Account		7,754	7,155	599
Interfund Payable	<u>1,000</u>	<u>710</u>	<u>655</u>	<u>1,055</u>
	<u>12,377</u>	<u>10,354,823</u>	<u>10,360,594</u>	<u>6,606</u>

<b>LONG-TERM DEBT</b>
-----------------------

**WOOD-RIDGE BOARD OF EDUCATION**  
**General Long Term Debt Account Group**  
**Statement of School Bonds Payable**  
**June 30, 2014**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2013	Retired	Balance June 30, 2014
2005 School Bonds	7/15/2005	6,500,000	7/15/2014	300,000	4.00%	585,000	285,000	300,000
2013 School Refunding Bonds	1/31/2013	4,450,000	7/15/2014	20,000	2.00%	4,450,000	25,000	4,425,000
			7/15/2015	330,000	3.00%			
			7/15/2016	345,000	3.00%			
			7/15/2017	360,000	3.00%			
			7/15/2018	375,000	3.00%			
			7/15/2019	390,000	3.00%			
			7/15/2020	400,000	3.00%			
			7/15/2021	415,000	3.00%			
			7/15/2022	430,000	3.00%			
			7/15/2023	445,000	3.00%			
			7/15/2024	455,000	3.00%			
			7/15/2025	460,000	3.00%			
						\$ 5,035,000	310,000	4,725,000

**WOOD-RIDGE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	144,562		144,562	144,562	
<b>Total Revenues</b>	<b>144,562</b>		<b>144,562</b>	<b>144,562</b>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	144,899		144,899	144,898	(1)
Redemption of Principal	310,000		310,000	310,000	
Total Regular Debt Service	454,899		454,899	454,898	(1)
<b>Total expenditures</b>	<b>454,899</b>		<b>454,899</b>	<b>454,898</b>	<b>(1)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(310,337)		(310,337)	(310,336)	1
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund	310,000		310,000	310,000	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(337)		(337)	(336)	1
Fund Balance, July 1	15,317		15,317	15,317	
Fund Balance, June 30	14,980		14,980	14,981	1
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	(337)		(337)	(336)	1

## STATISTICAL SECTION

## **STATISTICAL SECTION (UNAUDITED)**

### **Introduction to the Statistical Section**

### **Financial Trends**

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
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### **Revenue Capacity**

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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### **Debt Capacity**

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
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### **Demographic and Economic Information**

- J-14 Demographic and Economic Statistics
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### **Operating Information**

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information\*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

#### Contents

#### Page

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.



**Wood-Ridge Board of Education**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Net Investment in Capital Assets										
Restricted	\$ 9,272,527	\$ 2,871,429	\$ 2,551,822	\$ 2,628,006	\$ 2,937,868	\$ 3,103,792	\$ 3,326,196	\$ 3,514,848	\$ 4,070,016	\$ 4,097,324
Unrestricted	(3,943,557)	2,978,634	2,507,819	2,199,131	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170	3,918,885
Unrestricted	(89,867)	(146,168)	189,045	50,649	21,949	(178,669)	26,066	96,285	13,360	(73,104)
Total governmental activities net assets	\$ 5,239,103	\$ 5,703,895	\$ 5,248,686	\$ 4,877,786	\$ 5,175,476	\$ 5,453,672	\$ 5,849,152	\$ 6,362,344	\$ 6,277,546	\$ 7,941,105
<b>Business-type activities</b>										
Net Investment in Capital Assets										
Restricted	\$ 2,606	\$ 1,779	\$ 5,718	\$ 4,671	\$ 3,625	\$ 2,578	\$ 1,916	\$ 23,709	\$ 22,849	\$ 25,718
Unrestricted	6,406	14,602	18,012	21,540	39,871	60,052	66,434	30,816	26,581	25,713
Total business-type activities net assets	\$ 9,012	\$ 16,381	\$ 23,730	\$ 26,211	\$ 43,496	\$ 62,630	\$ 68,350	\$ 54,525	\$ 49,430	\$ 51,431
<b>District-wide</b>										
Net Investment in Capital Assets										
Restricted	\$ 9,275,133	\$ 2,873,208	\$ 2,557,540	\$ 2,632,677	\$ 2,941,493	\$ 3,106,370	\$ 3,328,112	\$ 3,538,557	\$ 4,092,865	\$ 4,123,042
Unrestricted	(3,943,557)	2,978,634	2,507,819	2,199,131	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170	3,918,885
Unrestricted	(83,461)	(131,566)	207,057	72,189	61,820	(118,617)	92,500	127,101	39,941	(49,391)
Total district net position	\$ 5,248,115	\$ 5,720,276	\$ 5,272,416	\$ 4,903,997	\$ 5,218,972	\$ 5,516,302	\$ 5,917,502	\$ 6,416,869	\$ 6,326,976	\$ 7,992,536

Source: CAFR Schedule A-1

**Wood-Ridge Board of Education**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 4,910,062	\$ 5,254,572	\$ 5,609,525	\$ 5,642,716	\$ 5,792,729	\$ 6,058,384	\$ 5,892,176	\$ 5,950,785	\$ 6,004,438	\$ 6,461,498
Special education	822,549	868,002	975,941	918,141	1,029,430	1,125,706	1,071,942	1,065,358	1,013,724	1,242,104
Other special education	336,490	365,722	298,085	347,738	355,738	343,957	250,447	253,244	247,303	103,926
Other instruction	361,583	355,574	389,252	420,028	480,310	480,135	452,079	473,704	447,251	433,351
Support Services:										
Tuition	623,344	775,134	1,213,194	1,665,473	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922	3,295,406
Student & instruction related services	1,342,414	1,462,116	1,646,608	1,635,675	1,612,269	1,781,973	1,847,454	1,816,489	1,986,337	2,204,080
General administrative services	333,429	354,097	376,343	428,327	467,108	506,152	435,980	510,635	503,476	614,242
School administrative services	617,793	567,276	702,114	735,789	736,746	706,934	772,819	817,217	1,012,327	986,951
Central services	316,399	282,946	292,557	300,453	307,367	324,204	325,703	338,875	352,975	363,566
Administrative information technology	134,823	93,092	121,535	115,934	113,534	118,893	154,345	151,831	154,031	165,977
Business administrative services	151									
Plant operations and maintenance	1,280,652	1,380,562	1,513,133	1,626,326	1,654,393	1,571,446	1,501,748	1,521,990	1,574,683	1,666,628
Pupil transportation	304,697	346,208	573,840	619,154	538,802	493,178	519,844	441,156	569,410	609,472
Unallocated Benefits	852,657	938,844	1,379,801	1,379,159	953,213	1,016,854	1,076,657	1,361,521	1,568,004	1,427,267
Charter Schools										
Interest on long-term debt	138,584	255,997	255,879	249,958	238,604	229,991	49,296	27,658	36,897	62,473
Unallocated depreciation	193,239	241,637	232,984	226,951	221,532	224,606	221,082	211,820	148,533	117,167
Capital Outlay - nondepreciable	65,144		59,601		10,718		251,864	212,926	242,936	246,648
Bond Issuance Costs							37,056	19,097	72,500	29,575
Amortization of Loss on Sale of Bonds										
Total governmental activities expenses	12,633,810	13,541,779	15,640,392	16,311,822	16,186,832	16,787,956	17,006,801	17,613,225	18,845,080	20,171,044

**Wood-Ridge Board of Education**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Business-type activities:</b>										
Food service	360,534	374,884	382,645	394,949	400,845	377,660	381,875	406,185	415,251	392,425
Total business-type activities expense	360,534	374,884	382,645	394,949	400,845	377,660	381,875	406,185	415,251	392,425
Total district expenses	\$ 12,994,344	\$ 13,916,663	\$ 16,023,037	\$ 16,706,771	\$ 16,587,677	\$ 17,165,616	\$ 17,388,676	\$ 18,019,410	\$ 19,260,331	\$ 20,563,469
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Operating grants and contributions	430,344	486,794	480,205	434,906	403,820	472,003	459,208	415,322	356,575	320,050
Capital grants and contributions										
Total governmental activities program revenues	430,344	486,794	480,205	434,906	403,820	472,003	459,208	415,322	356,575	320,050
<b>Business-type activities:</b>										
Charges for services										
Food service	288,744	317,377	321,753	327,151	344,491	306,966	299,648	295,931	294,123	291,439
Operating grants and contributions	64,607	64,365	64,596	67,581	73,639	89,828	87,947	96,429	92,617	102,987
Capital grants and contributions										
Total business type activities program revenues	353,351	381,742	386,349	394,732	418,130	396,794	387,595	392,360	386,740	394,426
Total district program revenues	\$ 783,695	\$ 868,536	\$ 866,554	\$ 829,638	\$ 821,950	\$ 868,797	\$ 846,803	\$ 807,682	\$ 743,315	\$ 714,476
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (12,203,466)	\$ (13,054,985)	\$ (15,160,187)	\$ (15,876,916)	\$ (15,783,012)	\$ (16,315,953)	\$ (16,547,593)	\$ (17,197,903)	\$ (18,488,505)	\$ (19,850,994)
Business-type activities	(7,183)	6,858	3,704	(217)	17,285	19,134	5,720	(13,825)	(28,511)	2,001
Total district-wide net expense	\$ (12,210,649)	\$ (13,048,127)	\$ (15,156,483)	\$ (15,877,133)	\$ (15,765,727)	\$ (16,296,819)	\$ (16,541,873)	\$ (17,211,728)	\$ (18,517,016)	\$ (19,848,993)
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 9,305,914	\$ 10,076,112	\$ 10,831,384	\$ 11,548,935	\$ 12,341,718	\$ 12,807,191	\$ 13,563,859	\$ 13,835,136	\$ 14,111,839	\$ 15,141,775
Taxes levied for debt service	27,799	336,128	283,960	341,273	424,904	396,132	453,918	478,252	205,103	144,562
Unrestricted grants and contributions	1,617,774	1,731,857	2,259,432	2,295,832	1,963,329	2,103,868	1,577,801	1,888,072	2,283,506	2,215,210
Tuition Received	1,024,128	1,161,643	1,099,420	1,106,111	1,125,316	1,071,275	1,208,085	1,388,926	1,249,073	1,164,499
Community development block grant cancelled						(6,161)				
Rents and Royalties										251,368
Sale of Property										2,500,000
Investment earnings										126
Miscellaneous income	210,129	214,037	235,105	213,865	275,348	215,683	139,410	79,401	202,054	97,013
Other Financing Sources (Uses)										
Extraordinary item - Insurance										
Recovery for repair of impaired										
Capital Assets - Super Storm Sandy										
Proceeds received from Refunding										
Bond Sale - Close out of Escrow										
Total governmental activities	12,185,744	13,519,777	14,709,301	15,506,016	16,130,615	16,594,149	16,943,073	17,663,626	18,403,707	21,514,553

**Wood-Ridge Board of Education**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Business-type activities:</b>										
Investment earnings										
Transfers		511		2,698						
Prior year prepaids realized	4,286		1,102						9,672	
Operating subsidy - Moonachie										
Board of Education										
Total business-type activities	4,286	511	1,102	2,698	-	-	-	-	13,744	-
Total district-wide	\$ 12,190,030	\$ 13,520,288	\$ 14,710,403	\$ 15,508,714	\$ 16,130,615	\$ 16,594,149	\$ 16,943,073	\$ 17,663,626	\$ 18,427,123	\$ 21,514,553
<b>Change in Net Position</b>										
Governmental activities	\$ (17,722)	\$ 464,792	\$ (450,886)	\$ (370,900)	\$ 347,603	\$ 278,196	\$ 395,480	\$ 465,723	\$ (84,798)	\$ 1,663,559
Business-type activities	(2,897)	7,369	4,806	2,481	17,285	19,134	5,720	(13,825)	(5,095)	2,001
Total district	\$ (20,619)	\$ 472,161	\$ (446,080)	\$ (368,419)	\$ 364,888	\$ 297,330	\$ 401,200	\$ 451,898	\$ (89,893)	\$ 1,665,560

Source: CAFR Schedule A-2

**Wood-Ridge Board of Education**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2005	2006	2007	2008	Fiscal Year Ending June 30, 2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 603,855	\$ 1,195,563	\$ 676,892	\$ 461,953	\$ 781,011	\$ 1,208,621				
Unreserved	418,108	334,690	539,062	415,811	408,479	202,327				
Restricted							1,081,368	1,344,994	1,163,783	3,336,223
Committed							104,265	97,938	47,728	
Assigned							16,408	154,085	104,641	24,250
Unassigned							307,398	412,321	308,739	340,037
<b>Total general fund</b>	<b>\$ 1,021,963</b>	<b>\$ 1,530,253</b>	<b>\$ 1,215,954</b>	<b>\$ 877,764</b>	<b>\$ 1,189,490</b>	<b>\$ 1,410,948</b>	<b>\$ 1,509,439</b>	<b>\$ 2,009,338</b>	<b>\$ 1,624,891</b>	<b>\$ 3,700,510</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 237,328	\$ 25,657	\$ 17,600	\$ 103,486	\$ 9,247					
Unreserved, reported in:										
Special revenue fund	-	-								
Capital projects fund	(4,767,643)	1,603,489	1,579,224	1,470,724	1,316,356	1,290,852	1,290,852	1,179,013	877,681	567,682
Debt service fund	(17,097)	153,925	234,103	162,968	109,045	29,076	3,997	1,513	15,317	14,980
<b>Total all other governmental funds</b>	<b>\$ (4,547,412)</b>	<b>\$ 1,783,071</b>	<b>\$ 1,830,927</b>	<b>\$ 1,737,178</b>	<b>\$ 1,434,648</b>	<b>\$ 1,319,928</b>	<b>\$ 1,294,849</b>	<b>\$ 1,180,526</b>	<b>\$ 892,998</b>	<b>\$ 582,662</b>

Source: CAFR Schedule B-1

**Wood-Ridge Board of Education**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax levy	\$ 9,333,713	\$ 10,412,240	\$ 11,115,344	\$ 11,890,208	\$ 12,766,622	\$ 13,203,323	\$ 14,017,777	\$ 14,313,388	\$ 14,316,942	\$ 15,286,337
Tuition	1,024,128	1,161,643	1,099,420	1,106,111	1,125,316	1,071,275	1,208,085	1,388,926	1,249,073	1,164,499
Interest earnings			1,250	4,250	1,654	2,754	1,291	955	1,572	126
Rents and Royalties										251,368
Sale of Property										1,000,000
Miscellaneous	147,435	214,037	233,855	128,977	251,436	217,849	147,857	78,446	210,206	107,514
State sources	1,751,937	1,897,144	2,401,104	2,418,029	2,061,052	2,067,158	1,485,053	1,841,412	2,283,506	2,215,210
Federal sources	296,181	321,507	338,533	312,709	306,097	503,793	480,915	461,982	348,423	309,549
Total revenue	12,553,394	14,006,571	15,189,506	15,860,284	16,512,177	17,066,152	17,340,978	18,085,109	18,409,722	20,334,603
<b>Expenditures</b>										
Instruction										
Regular instruction	4,225,782	4,493,469	4,771,898	4,747,430	4,933,333	5,162,096	4,917,284	4,991,142	5,013,924	5,364,977
Special education instruction	689,024	719,156	806,410	754,084	838,475	933,184	873,045	881,452	828,960	1,014,923
Other special instruction	281,146	302,141	245,750	284,885	296,092	284,594	203,710	208,137	202,258	84,846
Other instruction	316,302	308,040	338,194	360,602	424,537	419,917	390,430	416,403	387,933	372,126
Support Services:										
Tuition	623,344	775,134	1,213,194	1,665,473	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922	3,295,406
Student & instruction related services	1,172,104	1,269,358	1,441,966	1,427,299	1,430,231	1,550,394	1,611,251	1,582,299	1,758,434	1,957,784
General administrative services	300,424	317,084	337,004	385,508	426,104	461,530	385,284	455,113	447,064	536,112
School Administrative services	526,481	477,565	591,719	616,026	624,762	591,923	641,279	658,524	811,400	784,016
Central services	280,719	243,110	250,614	254,876	263,820	276,980	274,809	289,941	299,876	307,887
Administrative information technology	112,973	76,897	101,674	94,950	94,469	98,404	131,302	130,018	130,488	142,310
Plant operations and maintenance	1,157,049	1,245,318	1,422,893	1,468,858	1,507,362	1,424,232	1,342,996	1,366,111	1,410,859	1,483,384
Pupil transportation	300,830	363,100	568,798	636,262	538,575	487,519	512,908	434,863	562,065	600,973
Business and other support services	151									
Unallocated employee benefits	2,273,619	2,483,048	3,051,626	3,160,948	2,666,737	2,841,960	3,112,470	3,152,822	3,474,794	3,511,404
Capital outlay	73,633		91,923		12,718	142,216	195,021	73,220	351,186	95,801
Transfer of funds to Charter School						50,075	49,296	27,658	36,897	62,473
Debt service:										
Principal	15,674	24,087	25,083	241,105	262,164	245,000	255,000	265,000	275,000	310,000
Interest and other charges	108,640	229,752	256,804	251,941	242,914	233,922	225,172	216,072	206,279	144,898
Total expenditures	12,457,895	13,327,259	15,515,550	16,350,247	16,276,632	16,959,414	17,267,566	17,587,694	19,070,339	20,069,320
Excess (Deficiency) of revenues over (under) expenditures	95,499	679,312	(326,044)	(489,963)	235,545	106,738	73,412	497,415	(660,617)	265,283

**Wood-Ridge Board of Education**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	65,000		59,601							
Transfers in	55,185		78,105	80,638	26,251	2,821	1,175	336	275,006	310,000
Transfers out			(78,105)	(80,638)	(26,251)	(2,821)	(1,175)	(366)	(275,006)	(310,000)
Proceeds of refunding bond sale									14,974	
Insurance recovery related to Impaired Capital Assets - Super Storm Sandy									335,586	
Insurance recovery related to Other Costs of Super Storm Sandy									2,500	
Super Storm Sandy related Expenditures - Capital Assets									(335,586)	
Super Storm Sandy related Expenditures - Required Maintenance - Cleaning, Repair and Maintenance Svcs.									(2,500)	
Total other financing sources (uses)	120,185	-	59,601	-	-	-	-	(30)	14,974	-
Net change in fund balances	\$ 215,684	\$ 679,312	\$ (266,443)	\$ (489,963)	\$ 235,545	\$ 106,738	\$ 73,412	\$ 497,385	\$ (645,643)	\$ 265,283
Debt service as a percentage of noncapital expenditures	1.0%	1.9%	1.8%	3.0%	3.1%	2.8%	2.8%	2.7%	2.6%	2.3%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

Wood-Ridge Board of Education  
General Fund Other Local Revenue by Source  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Donations	Rent	Refunds	Employee Health Benefit Contributions	Reimbursements	Cancelled Prior Year Accounts Payable	Restricted Miscellaneous Revenue	Interest on Investments	Prior Year Voided Checks	E-Rate Reimburse ments	Tuition Adjustment Refunds	Misc.	Total
2005	-	-	107,008	-	-	-	-	6,801	-	-	-	33,626	147,435
2006	8,533	2,500	3,398	-	-	-	92,249	5,002	-	-	-	13,622	125,304
2007	-	-	94,159	-	-	-	1,250	47,098	-	-	-	14,493	157,000
2008	-	-	95,105	-	-	-	4,250	25,721	-	-	-	8,151	133,227
2009	599	2,300	41,659	-	117,578	-	-	37,752	-	-	-	48,303	248,191
2010	-	-	-	-	147,152	-	-	6,406	33,330	-	-	25,974	212,862
2011	-	2,625	-	62,739	20,000	-	-	5,976	111	-	15,805	30,959	138,235
2012	-	2,992	1,004	-	1,363	-	-	4,828	125	22,986	28,999	14,192	76,489
2013	-	120,000	-	-	-	-	-	1,572	-	30,735	26,425	24,888	203,620
2014	-	-	426	-	-	44,859	-	3,171	899	20,779	20,374	6,505	97,013

Source: District Records



**Wood-Ridge Board of Education**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Year Ended Dec. 31	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2005	\$ 3,207,700	\$ 577,705,800	\$ 47,161,300	\$ 87,080,400	\$ 19,156,300	\$ 734,311,500	\$ 43,313,300.00	\$ 725,903	\$ 691,724,103	1.343	\$ 963,120,889	71.82%
2006	\$ 3,207,700	\$ 577,705,800	\$ 47,161,300	\$ 87,080,400	\$ 19,156,300	\$ 734,311,500	\$ 43,313,300.00	\$ 725,903	\$ 691,724,103	1.402	\$ 1,101,757,382	62.78%
2007	\$ 56,001,500	\$ 580,734,500	\$ 38,193,700	\$ 87,080,400	\$ 19,156,300	\$ 781,166,400	\$ 43,452,000.00	\$ 512,640	\$ 738,227,040	1.471	\$ 1,222,296,973	60.40%
2008	\$ 56,865,200	\$ 580,594,200	\$ 38,213,700	\$ 87,080,400	\$ 19,156,300	\$ 781,909,800	\$ 43,917,500.00	\$ 534,774	\$ 738,527,074	1.576	\$ 1,348,779,852	54.76%
2009	\$ 57,093,700	\$ 581,687,900	\$ 37,973,600	\$ 87,080,400	\$ 17,209,800	\$ 781,045,400	\$ 43,687,800.00	\$ 535,480	\$ 737,893,080	1.661	\$ 1,290,027,638	57.20%
2010	\$ 56,529,300	\$ 584,494,100	\$ 37,973,600	\$ 87,080,400	\$ 17,209,800	\$ 783,287,200	\$ 43,321,300.00	\$ 614,644	\$ 740,580,544	1.736	\$ 1,315,447,940	56.30%
2011	\$ 67,982,800	\$ 586,141,300	\$ 38,077,700	\$ 79,831,500	\$ 17,209,800	\$ 789,243,100	\$ 43,205,100.00	\$ 546,760	\$ 746,584,760	1.794	\$ 1,256,721,214	59.41%
2012	\$ 68,575,400	\$ 587,155,700	\$ 38,043,200	\$ 79,765,900	\$ 16,949,100	\$ 790,489,300	\$ 43,889,200.00	\$ 532,680	\$ 747,132,780	1.817	\$ 1,228,999,885	60.79%
2013	\$ 68,418,100	\$ 587,891,700	\$ 37,398,100	\$ 79,765,900	\$ 16,471,400	\$ 789,945,200	\$ 70,605,100.00	\$ 559,307	\$ 719,899,407	1.915	\$ 1,174,989,142	61.27%
2014	\$ 73,570,000	\$ 589,584,400	\$ 38,288,000	\$ 78,883,300	\$ 16,471,400	\$ 796,797,100	\$ 83,331,100.00	\$ 602,730	\$ 714,068,730	1.935	\$ 1,217,882,320	58.63%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies<sup>b</sup> Tax rates are per \$100

Exhibit J-7

Wood-Ridge Board of Education  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)

Year Ended Dec. 31,	Wood-Ridge Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General			Borough of Wood- Ridge	Bergen County	
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>	Total Direct			
2005	1.300	0.043	1.343	0.838	0.259	2.440
2006	1.364	0.038	1.402	1.005	0.263	2.670
2007	1.433	0.038	1.471	1.106	0.283	2.860
2008	1.531	0.045	1.576	1.141	0.320	3.037
2009	1.616	0.045	1.661	1.204	0.336	3.201
2010	1.706	0.030	1.736	1.286	0.327	3.349
2011	1.764	0.030	1.794	1.264	0.328	3.386
2012	1.776	0.046	1.817	1.301	0.345	3.463
2013	1.866	0.049	1.915	1.334	0.351	3.600
2014	1.935	0.017	1.952	1.371	0.333	3.656

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- <sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- <sup>b</sup> Rates for debt service are based on each year's requirements.

Exhibit J-8

Wood-Ridge Board of Education  
Principal Property Taxpayers  
Current Year and Ten Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
WOOD-RIDGE DEVELOPMENT, LLC	\$ 50,600,000	1	7.09%	\$ 52,107,500	1	7.53%
WOOD-RIDGE INDUSTRIAL PROPERTY	45,850,000	2	6.42%	7,970,500	2	1.15%
CLIFF VIEW GARDENS	6,400,000	3	0.90%	7,500,000	3	1.08%
WESTMONT STATION RES II URB RENEW	5,470,000	4	0.77%			
ONE ETHEL BOULEVARD, LLC	4,500,000	5	0.63%	4,554,700	5	0.66%
AVALON BAY COMMUNITIES	4,000,000	6	0.56%	5,851,900	4	0.85%
DELIDOR REALTY CORP C/O FIESTA	3,703,200	7	0.52%	4,346,500	6	0.63%
ONE PARK PLACE, LLC	3,659,500	8	0.51%	3,720,800	7	0.54%
HOME PROPERTIES WINDSOR, LLC	3,500,000	9	0.49%	3,689,500	8	0.53%
PULTE HOMES OF NJ, LP	3,400,000	10	0.48%			
AVALON BAY COMMUNITIES-ROSIE SQUARE				3,405,800	9	0.49%
AVALON BAY COMMUNITIES - AVALON DRIVE				3,291,300	10	0.48%
Total	\$ 131,082,700		18.36%	\$ 96,438,500		13.94%

\$ 691,724,103

Net Assessed Valuation: \$ 714,068,730

Source: Municipal Tax Assessor.

**Exhibit J-9**

**Wood-Ridge Board of Education  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	9,333,713	9,333,713	100.00%	\$ -
2006	10,412,240	10,412,240	100.00%	\$ -
2007	11,115,344	11,113,439	99.98%	\$ 1,905
2008	11,890,208	11,293,793	94.98%	\$ 596,415
2009	12,766,622	12,543,650	98.25%	\$ 227,869
2010	13,203,323	12,103,047	91.67%	\$ 1,100,277
2011	14,017,777	12,845,197	91.64%	\$ 1,172,580
2012	14,313,388	13,120,606	91.67%	\$ 1,192,782
2013	14,316,942	13,113,314	91.59%	\$ 1,203,628
2014	15,286,337	14,012,473	91.67%	\$ 1,273,864

Source: Municipal Tax Collector

**Wood-Ridge Board of Education**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	Bonds Payable <sup>b</sup>	Loans Payable	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of	
							Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2005		102,438	103,909	7,021,000	-	7,227,347	1.69%	\$ 127
2006	6,500,000	78,352	63,713	-	-	6,642,065	1.41%	\$ 106
2007	6,500,000	53,269	61,353	-	-	6,614,622	1.31%	\$ 98
2008	6,285,000	27,164	21,937	-	-	6,334,101	1.25%	\$ 93
2009	6,050,000		3,314	-	-	6,053,314	1.28%	\$ 96
2010	5,805,000	-	-	-	-	5,805,000	1.16%	\$ 89
2011	5,550,000	-	-	-	-	5,550,000	1.09%	\$ 84
2012	5,285,000	-	-	-	-	5,285,000	0.90%	\$ 76
2013	5,035,000	-	-	-	-	5,035,000	NOT AVAILABLE	NOT AVAILABLE
2014	4,725,000	-	-	-	-	4,725,000	NOT AVAILABLE	NOT AVAILABLE

Source: District CAFR Schedules I-1, I-2

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

<sup>b</sup> Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Wood-Ridge Board of Education  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds and Loans	Net General Bonded Debt Outstanding		
2005	102,438	102,438	0.01%	\$ 56,706
2006	6,578,352	6,578,352	0.95%	\$ 62,714
2007	6,553,269	6,553,269	0.89%	\$ 67,394
2008	6,312,164	6,312,164	0.85%	\$ 68,227
2009	6,050,000	6,050,000	0.82%	\$ 63,198
2010	5,805,000	5,805,000	0.78%	\$ 65,486
2011	5,550,000	5,550,000	0.74%	\$ 66,092
2012	5,285,000	5,285,000	0.71%	\$ 69,919
2013	5,035,000	5,035,000	0.70%	NOT AVAILABLE
2014	4,725,000	4,725,000	0.66%	NOT AVAILABLE

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Exhibit NJ J-6 for property tax data.

<sup>b</sup> Population data can be found in Exhibit NJ J-14.

**Wood-Ridge Board of Education**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2014**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2014</b>			\$ 4,725,000
<b>Net overlapping debt of School District:</b>			
Borough of Wood-Ridge	100.000%	\$ 20,476,621	
Bergen County Utilities Authority	0.830%	\$ 1,901,106	
County of Bergen - Borough's share	0.512%	\$ 4,353,163	
<b>Subtotal, overlapping debt</b>			<u>\$ 26,730,891</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 31,455,891</u></u>

**Sources:** Borough of Wood-Ridge Town Administrator / Bergen County Treasurer's Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Wood-Ridge. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Wood-Ridge Board of Education  
Legal Debt Margin Information  
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis																		
	2013		2012		2011		2010		2009		2008		2007		2006		2005	
	\$ 1,169,249,852		\$ 1,175,798,453															
	\$ 1,227,057,058																	
[A]	\$ 3,572,105,363																	



**Wood-Ridge Board of Education  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2004	7,594	413,584,428	54,462	3.20%
2005	7,560	428,697,360	56,706	3.20%
2006	7,502	470,480,428	62,714	2.80%
2007	7,505	505,791,970	67,394	2.90%
2008	7,430	506,926,610	68,227	3.80%
2009	7,462	471,583,476	63,198	6.80%
2010	7,635	499,985,610	65,486	6.90%
2011	7,677	507,388,284	66,092	6.80%
2012	8,358	584,383,002	69,919	7.00%
2013	8,406	NOT AVAILABLE	NOT AVAILABLE	5.70%

**Source:**<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented<sup>c</sup> Per Capita Personal Income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

Wood-Ridge Board of Education  
Principal Employers  
Current Year and Nine Years Ago \*\*

Employer	2014			2005		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED  
TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO  
PRIVACY CONCERNS

Source:

**Wood-Ridge Board of Education**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	67.00	67.00	64.00	69.00	68.37	72.87	72.03	71.80	66.00	75.40
Special education	9.00	9.00	10.00	11.00	11.50	11.50	11.50	11.50	14.60	16.80
Other special education	-	-	9.00	9.00	11.00	9.00	9.30	9.20	4.00	2.00
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	3.00	3.00	4.13	5.13	5.67	6.00	1.00	1.00
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	14.00	14.00	19.00	13.20	13.50	13.17	13.17	13.17	15.00	17.00
General administrative services	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00	3.00
School administrative services	10.00	10.00	10.00	7.50	7.50	7.33	7.33	7.33	9.00	9.00
Central services	5.00	5.00	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Information Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.00
Plant operations and maintenance	13.00	13.00	14.00	13.00	13.00	12.00	12.00	12.00	11.50	12.00
Pupil transportation	-	-	-	-	-	0.50	0.50	0.50	0.50	0.50
Special Schools										
Food Service										1.00
Child Care										
Total	<u>119</u>	<u>119</u>	<u>135</u>	<u>131.7</u>	<u>135.0</u>	<u>137.5</u>	<u>137.5</u>	<u>137.5</u>	<u>128.1</u>	<u>141.7</u>

Source: District Personnel Records

Wood-Ridge Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2005	1,082	12,259,948	11,331	3.03%	87	1:23	1:22	1:16	1,082	1,029	4.54%	95.10%
2006	1,132	13,073,420	11,549	1.93%	87	1:23	1:22	1:16	1,132	1,082	4.62%	95.58%
2007	1,130	15,141,740	13,400	18.26%	94	1:19	1:18	1:16	1,130	1,077	-0.18%	95.31%
2008	1,152	15,857,201	13,765	19.19%	92	1:13.5	1:8.9	1:11.3	1,153	1,099	2.04%	95.32%
2009	1,195	15,771,555	13,198	-1.51%	97	1:14	1:15	1:10	1,185	1,127	2.78%	95.11%
2010	1,182	16,338,276	13,823	0.42%	98.5	1:16	1:13	1:13	1,143	1,106	-3.54%	96.76%
2011	1,159	16,592,373	14,316	8.47%	98.5	1:12	1:13	1:11	1,147	1,087	0.35%	94.77%
2012	1,159	17,033,402	14,697	2.66%	98.5	1:12	1:13	1:11	1,160	1,098	1.13%	94.61%
2013	1,140	18,237,874	15,998	8.86%	98.6	1:11	1:18	1:10	1,137	1,087	-1.98%	95.60%
2014	1,140	19,518,621	17,122	7.02%	112.2	1:11	1:10	1:9	1,134	1,087	-0.26%	95.86%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count for all students attending school facilities.

<sup>a</sup> Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff

<sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Wood-Ridge Board of Education  
School Building Information  
Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
Doyle Elementary School (1952)										
Square Feet	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587
Capacity: FES (students)	355	355	355	355	355	355	355	355	355	355
Enrollment	451	468	479	479	529	535	525	525	501	319
<b><u>Intermediate</u></b>										
Wood-Ridge Intermediate School (2014)*										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	37,725
Capacity: FES (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	279
<b><u>Middle</u></b>										
Ostrovsky Middle School (1958)										
Square Feet	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738
Capacity: FES (students)	244	244	244	244	244	244	244	244	244	244
Enrollment	244	241	231	231	239	247	263	263	282	192
<b><u>High School</u></b>										
Wood-Ridge High School (1923)										
Square Feet	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792
Capacity: FES (students)	496	496	496	496	496	496	496	496	496	496
Enrollment	387	422	420	420	427	400	371	371	357	357
<b><u>Other</u></b>										
Central Administration										
Square Feet	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531

Number of Schools at June 30, 2014

Elementary = 1  
Intermediate School = 1  
Middle School = 1  
High School = 1  
Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

\* Building owned by Borough of Wood-Ridge. District leases building for \$1 per year.

Wood-Ridge Board of Education  
General Fund  
Schedule of Required Maintenance for School Facilities  
Last Ten Fiscal Years  
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

School Facilities	Project # (s)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Doyle Elementary School	N/A	84,601	136,079	120,686	115,075	84,769	86,042	102,789	116,042	100,224	137,447
Intermediate School	N/A	52,174	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ostrovsky Middle School	N/A	83,361	99,378	90,710	101,081	74,088	87,917	63,553	100,001	74,267	67,533
Wood-Ridge High School	N/A	85,313	121,058	116,832	127,723	105,650	110,643	160,071	152,396	135,918	99,461
Other	N/A		4,193	1,563							
Grand Total		305,449	360,708	329,791	343,879	264,507	284,602	326,413	368,439	310,409	304,441

**Wood-Ridge Board of Education  
Insurance Schedule  
June 30, 2014  
Unaudited**

**Exhibit J-20**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund	School Package Policy	\$40,557,042	\$1,000
	Building and Contents (All Locations)		
	Boiler and Machinery	\$100,000	\$1,000
	General Automobile Liability	\$5,000,000	\$0
	School Board Legal Liability	\$5,000,000	\$5,000
	Employers Liability	\$1,000,000	\$0
	Workers' Compensation	Statutory	\$0
Bollinger, Inc.	Student Accident Insurance	\$5,000,000	\$0
Hartford Fire Insurance Company	Surety Bonds		
	Treasurer	N/A	N/A
	Board Secretary/Business Administrator	\$200,000	N/A
	Food Services Director	N/A	N/A

Source: District records

**SINGLE AUDIT SECTION**



# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and  
Members of the Board of Education  
Borough of Wood-Ridge School District  
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Wood-Ridge School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 23, 2014.

### *Internal Control Over Financial Reporting*

In planning and performing our audit on the financial statements, we considered the Borough of Wood-Ridge Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Wood-Ridge Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Wood-Ridge Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


***Compliance and Other Matters***


As part of obtaining reasonable assurance about whether the Borough of Wood-Ridge Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Wood-Ridge School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated October 23, 2014.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 23, 2014



# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and  
Members of the Board of Education  
Borough of Wood-Ridge School District  
County of Bergen, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Borough of Wood-Ridge School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Wood-Ridge Board of Education's major federal and state programs for the year ended June 30, 2014. The Borough of Wood-Ridge Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Wood-Ridge Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct



and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Wood-Ridge Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Wood-Ridge Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Borough of Wood-Ridge Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of the Borough of Wood-Ridge Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Wood-Ridge Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Wood-Ridge Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133**

We have audited the financial statements of the Borough of Wood-Ridge Board of Education as of and for the year ended June 30, 2014, and have issued our report there dated October 23, 2014 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Steven D. Wielkottz, C.P.A.  
Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 23, 2014



**WOOD-RIDGE  
BOARD OF EDUCATION**

**Schedule of Expenditures of Federal Awards**

**Year ended June 30, 2014**

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment/ Deobligated	Deferred Revenue at June 30, 2014	Accounts Receivable at June 30, 2014	Due to Grantor at June 30, 2014
<b>U.S. Department of Agriculture</b>												
Passed-through State Department of Education: Enterprise Fund:												
Food Distribution Program	10.550	N/A	7/1/13-6/30/14	13,245 \$			13,245	13,245				
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	86,411			72,250	86,411			(14,161)	
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	71,899	(12,190)		12,190					
<b>Total U.S. Department of Agriculture</b>					(12,190)		97,685	99,656			(14,161)	
<b>U.S. Department of Education</b>												
Passed-through State Department of Education: Special Revenue Fund:												
Title I, Part A-Improving Basic Programs	84.010A	NCLB583013	9/1/13-6/30/14	54,246				54,808			(49)	
Title I, Part A-Improving Basic Programs	84.010A	NCLB583012	9/1/12-8/31/13	67,318								
Title II, Part A-Teacher/Principal Training and Recruiting	84.367A	NCLB583013	9/1/13-6/30/14	15,201		(11,663)	28,662	16,999				
Title II, Part A-Teacher/Principal Training and Recruiting	84.367A	NCLB583012	9/1/12-8/31/13	16,739	(11,663)	11,663						
Title III, English Language Acquisition and Language Enhancement	84.365A	NCLB583013	9/1/13-6/30/14	3,348		(3,135)	4,685	3,099			(1,549)	
Title III, English Language Acquisition and Language Enhancement	84.365A	NCLB583012	9/1/12-8/31/13	3,135	(3,135)	3,135						
Other Special Projects												
IDEA, Part B, Preschool	84.173	IDEA583013	9/1/13-6/30/14			(9,676)	20,529	10,853				
IDEA, Part B, Preschool	84.173	IDEA583012	9/1/12-8/31/13	11,348	(9,676)	9,676						
IDEA, Part B, Basic Regular	84.027	IDEA583013	9/1/13-6/30/14			(50,121)	273,911	223,790				
IDEA, Part B, Basic Regular	84.027	IDEA583012	9/1/12-8/31/13	231,516	(50,121)	50,121						
<b>Total U.S. Department of Education</b>					(74,595)		382,546	309,549			(1,598)	
<b>Total Federal Financial Assistance</b>				\$	(86,785)		480,231	409,205			(15,759)	

See accompanying notes to schedules of expenditures of federal and state awards.

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133

**WOOD-RIDGE  
BOARD OF EDUCATION**

**Schedule of Expenditures of State Financial Assistance**

Year ended June 30, 2014

	Grant or State Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2013			Balance at June 30, 2014			MEMO	
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Revenue/Interfund Payable	Budgetary Receivable	Cumulative Total Expenditures
State Grantor/Program Title											
State Department of Education:											
General Fund:											
Equalization Aid	14 495-034-5120-078	7/1/13-6/30/14	42,210 \$			42,210	42,210			*	42,210
Transportation Aid	14 495-034-5120-014	7/1/13-6/30/14	32,013			32,013	32,013			*	32,013
Special Education Aid	14 495-034-5120-089	7/1/13-6/30/14	663,039			663,039	663,039			*	663,039
Security Aid	14 495-034-5120-084	7/1/13-6/30/14	18,978			18,978	18,978			*	18,978
Extraordinary Aid	14 100-034-5120-473	7/1/13-6/30/14	229,562				229,562	(229,562)		*	229,562
Extraordinary Aid	13 100-034-5120-473	7/1/12-6/30/13	150,770	(150,770)		150,770				*	150,770
TPAF - Social Security	14 495-034-5095-002	7/1/13-6/30/14	489,817			488,000	489,817	(1,817)		*	489,817
TPAF - Social Security	13 495-034-5095-002	7/1/12-6/30/13	464,751	(2,791)		2,791				*	464,751
On Behalf TPAF Pension Contribution - On Behalf TPAF Pension Contribution - Post Retirement Medical	14 495-034-5095-006	7/1/13-6/30/14	253,665			253,665	253,665			*	253,665
On Behalf TPAF Pension Contribution - On Behalf TPAF Pension Contribution - On Behalf TPAF Contributions - Non-contributory Insurance	14 495-034-5095-001	7/1/13-6/30/14	452,628			452,628	452,628			*	452,628
Total General Fund	14 495-034-5095-007	7/1/13-6/30/14	22,390	(153,561)		22,390	22,390	(231,379)		*	22,390
						2,126,484	2,204,302			*	2,819,823
Enterprise Fund:											
National School Lunch Program (State Share)	14 100-010-3350-023	7/1/13-6/30/14	3,331			2,786	3,331	(545)		*	3,331
National School Lunch Program (State Share)	13 100-010-3350-023	7/1/12-6/30/13	3,188	(501)		501				*	3,188
				(501)		3,287	3,331	(545)		*	6,519
Total State Financial Assistance				(154,062)		2,129,771	2,207,633	(231,924)		*	2,888,871
Local Private and Not for Profit:											
Special Revenue Fund:											
Target - Take Charge of Education	N/A	7/1/13-6/30/14	299			299			299	*	
Wood-Ridge Education Association	N/A	7/1/13-6/30/14	5,629			5,629	5,179		450	*	5,179
Juvenile Diabetes	N/A	7/1/13-6/30/14	364			364			364	*	
Italian American Committee on Education	N/A	7/1/13-6/30/14	5,000			5,000	3,415		1,585	*	3,415
MSG Varsity Grant	N/A	7/1/12-6/30/13	5,450	1,688			1,410		278	*	5,172
Donations - Kiwanis Club	N/A	7/1/12-6/30/13	210	210					210	*	
Exxon Grant	N/A	7/1/09-6/30/10	750	94					94	*	656
Exxon Grant	N/A	7/1/10-6/30/11	750	750			497		750	*	497
Exxon Grant	N/A	7/1/13-6/30/14	500			500			3	*	3,720
Model Congress	N/A	7/1/10-6/30/11	3,826	106					106	*	
Total Local Financial Assistance				2,848		11,792	10,501		4,139	*	18,639
										*	
Total State and Local Financial Assistance			\$	(151,214)		2,141,563	2,218,134	(231,924)	4,139	*	2,907,510

See accompanying notes to schedules of expenditures of federal and state awards.

#### NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Wood-Ridge School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

#### NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

#### NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.



**Borough of Wood-Ridge School District**  
**Notes to the Schedules of Expenditures of Federal Awards and**  
**State Financial Assistance**  
**June 30, 2014**

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**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$10,908 for the general fund and \$-0- for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$	\$2,204,302	\$	\$2,204,302
Special Revenue Fund	309,549		10,501	320,050
Food Service Fund	<u>99,656</u>	<u>3,331</u>	<u></u>	<u>102,987</u>
Total Awards and Financial	<u>\$409,205</u>	<u>\$2,207,633</u>	<u>\$10,501</u>	<u>\$2,627,339</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

**BOROUGH OF WOOD-RIDGE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?            yes       X       no
2. Significant deficiencies identified that are  
not considered to be material weaknesses?            yes       X       none reported

Noncompliance material to basic financial  
statements noted?            yes       X       no

**Federal Awards**

Not Applicable

**BOROUGH OF WOOD-RIDGE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

***Section I - Summary of Auditor's Results, (continued)***

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:     \$ 300,000

Auditee qualified as low-risk auditee?                       X   yes                                no

Type of auditor's report issued on compliance for major programs:                     unmodified

Internal Control over major programs:

1. Material weakness(es) identified?                                yes                       X   no
2. Significant deficiencies identified that are not  
considered to be material weaknesses?                                yes                       X   none reported

Identification of major programs:

<b><u>GMIS Number(s)</u></b>	<b><u>Name of State Program</u></b>
<u>14-495-034-5095-002</u>	<u>TPAF Social Security</u>
<u>14-495-034-5095-002</u>	<b>State Aid Public Cluster:</b> <u>Equalization Aid, Special Education</u> <u>Categorical Aid, Security Aid</u>

**BOROUGH OF WOOD-RIDGE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

*Section II - Financial Statement Findings*

None

*Section III - State Financial Assistance Findings and Questioned Costs*

No matters were reported.

**BOROUGH OF WOOD-RIDGE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Status of Prior Year Findings**

There were no prior year audit findings.